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DECENTRALIZATION AND POLITICAL PARTICIPATION:
ARGENTINA AND CHILE IN COMPARATIVE
PERSPECTIVE

AN HONORS THESIS
PRESENTED BY
ANDREW W. MAKI

TO
THE DEPARTMENT OF GOVERNMENT
AT CONNECTICUT COLLEGE
IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
HONORS IN THE MAJOR FIELD
OF INTERNATIONAL RELATIONS

CONNECTICUT COLLEGE
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April 28, 2006

DECENTRALIZATION
AND POLITICAL
PARTICIPATION:
ARGENTINA AND CHILE IN
COMPARATIVE PERSPECTIVE

By Andrew W. Maki

This thesis is dedicated to Professor Alex Hybel,
whose wisdom and pointed criticism is deeply inspiring.

Andrew Maki, April 28, 2006

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INTRODUCTION

During the past 20 years throughout the developing world governmental decentralization has been a craze. Transitional economies in Latin America, Africa, and Asia have adopted governmental reforms intended to remake previously centralized states. These efforts, encouraged by both neoliberal reformers and grass-roots activists, are aimed at transferring political and administrative authority and fiscal resources from the central government to institutions of local and regional government. As a result, at least in theory, decentralization increases both local-level governmental efficacy and fiscal efficiency. Now that the process of decentralization has been completed within states that pioneered decentralization reforms, it is at last possible to study its results.

When contemplating the consequences of decentralization, the first and arguably most obvious conclusion that the scholarly analyses in the field have highlighted is that sub-national government institutions become more accountable to, and therefore attentive to, the needs of the popular sectors. This conclusion uses as its logic that “proximity begets efficacy,” and therefore, at least normatively, decentralization produces positive consequences.¹ The theoretical literature within the field of development studies that support this claim is extensive.² Indeed, transferring both state resources and decision-making capacity to sub-national level governmental institutions, in this context, increases the potential for governmental efficacy in terms of both fiscal efficiency and direct participation of the citizenry in political processes.

¹ This conclusion assumes that increased efficacy is a positive outcome of decentralization. Alfred P. Montero and David J. Samuels, eds. Decentralization and Democracy in Latin America. (Notre Dame, IN: University of Notre Dame, 2004) 25.

² See Chapter One.

Unsurprisingly, when decentralization occurs in real life, this simple theoretical model of the results of decentralization fails to capture the variance of consequences that result. Outside variables such as preceding cultural conditions or legacies, political and institutional structures, and the influence of the political elite are all examples of intervening factors that complicate the process of decentralization and its subsequent results. While some conditions may have positive consequences for governmental efficacy, others may not. For example, while the willingness of the political elite to decentralize decision-making capacity to the local-level may hold promise for increased governmental efficacy, if the necessary financial resources are not also transferred to the local-level, the positive results of decentralization will remain restricted.

Accordingly, the great importance of studying decentralization can be found in its potential for positive results.³ For the central government, decentralization can bring about increased fiscal efficiency and more direct access to the constituents that it is intending to serve. For the populace, decentralization can increase government accountability by eliminating the gap between local-level demands and government policies and programs. In this light, decentralization holds promise for large-scale socioeconomic transformations. If the central government is more attuned to the particular needs of a given region, it is better situated to satisfy those needs. This gives decentralization the potential to increase equity. If it is clear that one region is lagging behind another, the central government can re-allocate regional funding to address the disparity.

³ For the sake of simplicity, in this thesis I am focusing on the positive potential of decentralization without an extensive discussion of whether or not decentralization is the *best* local-level economic and political development strategy.

But, when sub-national governmental institutions lack the fiscal or administrative capacity to respond directly to the demands of their constituents, it is impossible for decentralization to bring about increased levels of regional equity and efficient development. This condition, prevalent in Latin America, is often the result of political elite using decentralization not as a micro-level economic and political development strategy, but instead as a tool to maintain macro-level economic and political stability.⁴ Therefore, where the results of decentralization have not reached their full potential for positive transformation, the importance of continuing research lies in defining the path forward. The first step in this process is the objective of this thesis: to diagnose the structural, institutional, and sociopolitical obstacles that need to be overcome in order to realize the full potential of decentralization.

While many scholars on Latin America have analyzed governmental decentralization, including the range of determinants and various forms that it can take, few have directly analyzed the relationship between decentralization and political participation through empirical case studies. This thesis makes an effort to add to the literature to address this existing gap. While investigating the various determinants of governmental decentralization is an interesting topic for analysis, and as such has been the subject of many scholarly investigations, this thesis chooses to focus its analysis on the consequences of decentralization, a notably less developed field.⁵ Insofar as the

⁴ In this context, political elite often hoodwink popular sectors into accepting decentralization reforms that are actually intended to attract foreign investment, or satisfy the demands of international financial institutions (IFIs).

⁵ A particularly enlightening analysis of the determinants of decentralization can be found in Montero and Samuels, 2004.

determinants of decentralization possess valuable explanatory capacity for understanding the consequences of decentralization, the determinants too will be investigated.

In avoidance of the common pitfall of mainstream analysis of decentralization, which tends to examine the political, fiscal, and administrative dynamics in isolation of one another, this analysis attempts to look at these trends holistically. To the extent that there is a dialectic relationship between two or more of these factors, this thesis will probe the competing variables that can lead to different outcomes.

In forming the assessment of the various factors that affect the relationship between decentralization and political participation, this thesis will engage in a comparative analysis of two countries' experiences with decentralization. Argentina and Chile were the two countries selected for this examination because of their remarkably different experiences with both decentralization and political participation. While Chile's tradition of democratic rule was only significantly interrupted between 1973 and 1989, in Argentina, oscillations between democratically elected governments and military juntas dominated most of the 20th century.⁶ Furthermore, while the process of decentralization in Chile transpired, for the most part, under military rule, in Argentina, decentralization occurred under democratic governance. Given their significantly different experiences with democracy, it is of no surprise that the political party systems established in Argentina and Chile are considerably different from one another. Whereas in Chile political parties are committed to democratic principles, ideologically consistent, and well defined, political

⁶ A military junta is a committee of military officers that assumes the position of the executive following a revolution or military coup d'état.

parties in Argentina are ridden with corruption and rely on traditional clientelistic relationships to maintain their support.

Additionally, Chile and Argentina vary significantly in their sub-national institutional political organization. While Chile is a unitary state with a one-tier sub-national government, Argentina is a federal state with a two-tiered sub-national government. By and large, these two models describe a large number of Latin American governments today. While Bolivia closely resembles the unitary system of Chile, Brazil, Mexico, and Venezuela resemble the federal system of Argentina.⁷ Therefore, Chile and Argentina provide a useful comparison because they represent two prominent models in Latin America.

Lastly, in a comparative analysis, such as the one that this thesis sets out to complete, it is of the utmost importance to engage a couple significant methodological concerns. One such concern, albeit straightforward, is that of time. When completing an analysis in the field of social science, defining the relevant period of time critically affects the analysis. As in the case of governmental decentralization, one can not simply choose a particular cross-section of history to analyze in which governmental reform is being carried out. It is important to look at a substantial time period in order to conceptualize significant changes contextualized in trends such as urbanization, economic development or depression, and also very importantly, social legacies. For example, in the context of governmental decentralization, demographic and economic changes shape the range of

⁷ However, it is important to note that Evo Morales' reformist promises could alter Bolivia's unitary government structure.

possible choice available to the political elite, and can impact the strength of governmental institutions. As Alfred Montero and David Samuels explain,

although institutional configurations – electoral rules, bureaucratic structures, fiscal patterns, and so forth – constrain elite choice at the time the decision to decentralize occurs, these rules are themselves the product of broader socioeconomic and institutional legacies.⁸

Accordingly, in both case studies the historical context preceding the implementation of decentralization reforms supplements discussion of the process of decentralization itself.

It is also worthy to note a problem that arises when attempting to assess the results of decentralization. While sociopolitical legacies, economic trends, and other wide-reaching phenomena influence (both positively and negatively) the origins of decentralization, these same trends and legacies affect the outcomes of decentralization.⁹ Here we run into the classic chicken-or-the-egg problem; which phenomenon, the sociopolitical historical context or the outcomes of decentralization, affects the other first? While there is ultimately no perfect method of separating the two, the first step in accounting for the multiple factors at play is being cognizant of, and thereby sensitive to, this complex reality.

The dichotomy that this thesis takes to task is the difference between the theoretical value of decentralization and the practical value of decentralization once it has been applied within a given context. As reasoned above, within theoretical analysis governmental decentralization increases political participation, in practice, various intervening variables can obstruct the realization of this positive result. It is this

⁸ Montero and Samuels 12.

⁹ Pranab Bardhan “Decentralization of Governance and Development,” The Journal of Economic Perspectives 16.4 (2002) 203.

disagreement that this thesis sets out to address by investigating the relationship that exists between governmental decentralization and political participation. Allowing for the possibility that there are multiple critical factors at play, it is necessary to tease out what conditions are favorable or unfavorable for political participation.

This thesis is divided into five chapters. The first chapter provides a general introduction to the debate surrounding the relationship between governmental decentralization and political participation focusing principally on theoretical considerations. This chapter identifies the different forms of decentralization. Furthermore, this chapter draws on scholarly analysis pertaining to the study of democracy in order to define political participation. The second and third chapters serve as the two case studies from which this thesis draws empirical evidence to support its analysis. Each chapter focuses, in particular, on periods of governmental decentralization, including discussion of both their antecedents and their repercussions. The second chapter highlights the Chilean case of governmental decentralization that was completed under the auspices of General Augusto Pinochet during the second half of the 1970s. The third chapter analyzes the Argentine case, focusing in particular on Carlos Saúl Menem's efforts to decentralize the Argentine government during the 1990s.

The fourth chapter conducts a comparative analysis of the two preceding case studies in attempt to identify the prominent factors that affected political participation during and after periods of governmental decentralization (as a consequence of decentralization). Through the analysis of both positive and negative factors, the fourth chapter attempts to make clear why there are similarities and differences between the Chilean and Argentine cases.

The fifth chapter provides tentative conclusions concerning the merits of decentralization and the nature of the relationship between decentralization and political participation. This chapter also addresses the manner in which decentralizing reforms have created a new conception of the citizen. It concludes with contemporary considerations that attempt to shed light on the prospect for improvement given the current nature of political participation in both countries.

CHAPTER I: DECENTRALIZATION AND
POLITICAL PARTICIPATION

Since the 1970's governmental decentralization has fundamentally reshaped the political, social, and economic landscape of countries throughout Latin America.¹⁰ From the outset, scholars lauded the merits of decentralization as a means of enabling local-level government institutions to direct their own development whilst simultaneously bringing about greater governmental transparency by allowing groups within civil society to play a larger role in politics.¹¹ As Alan Angell, Pamela Lowden, and Rosemary Thorp write,

Decentralization was seen as a way of institutionalizing that involvement [in politics and economics], and of providing local groups with the channel for expressing their demands, and satisfying their needs.¹²

To this end, it was hoped that decentralization would bring about increased participation of individuals and groups from within civil society.

Experts in the field of development studies termed development strategies that advocated governmental decentralization as a means to stimulate political participation, participatory development initiatives. As 'participatory development' connotes, these initiatives attempted to empower citizens to take a more active role in the process of their own development.¹³ Furthermore, it was hoped that participatory development initiatives would foster a new type of relationship between the citizen and the state, one in which the citizen would be less reliant on the state. As Lucy Taylor explained,

It is hoped that this new relationship will wean the citizen away from a paternal relationship with the state in which citizens demand and the state provides, and towards a partnership with the municipality in which

¹⁰ While governmental decentralization occurred in most Latin American countries post-1970, in a few countries this process began earlier.

¹¹ For a more complete discussion see Alan Angell, Pamela Lowden, and Rosemary Thorp, 2001.

¹² Alan Angell, Pamela Lowden, and Rosemary Thorp, Decentralizing Development: The Political Economy of Institutional Change in Colombia and Chile (New York: Oxford University Press, 2001) 222.

¹³ The participatory development model also suggests that the active participation of citizens in their own development will result in the most efficient and effective allocation of resources. For a larger explanation of the participatory development model see Veltmeyer and O'Malley, 2001.

responsibility is shared: 'local participation implies, in turn, that the organizations modernize themselves and raise their projects to the level of proposals, leaving behind simplistic sets of demands.'¹⁴

In this way, participatory development initiatives were intended to bring about wide reaching societal transformations.

Now, more than two decades after the pioneering efforts to decentralize in Latin America began, the initial fervor over the promise of participatory development model has substantially subsided, and we are left aptly poised to evaluate its results. Has governmental decentralization empowered individuals within civil society to participate more effectively? In order to construct an analysis that effectively investigates the relationship between decentralization and political participation in an applied context, one must first have a foundational understanding of both decentralization and political participation independent of one another.

¹⁴ Lucy Taylor, Citizenship, Participation and Democracy: Changing Dynamics in Chile and Argentina (New York: St. Martin's Press., 1998) 129.

1.1 DECENTRALIZATION

Although governmental decentralization in Latin America has brought about significant political changes, within the literature on political development in Latin America these changes are largely underrepresented.¹⁵ Instead, the study of political development has been, for the most part, limited to research that focuses on transitions within the institutional make-up of the central government. This narrow focus fails to sufficiently consider the influence of local and regional political forces, such as, political leaders, and community-based organizations that have played important roles in decision making within the realms of both economic and political development. As Montero and Samuels contend, during the last 25 years in Latin America, the power of regional and local political institutions and the ability of individuals to influence local level politics have undergone remarkable transformations with both positive and negative consequences.¹⁶ This shift in the focus of political development away from the central government and toward regional and local level government institutions is, by and large, the result of decentralization.

The emergence of strong interest in decentralization can be attributed, at least in part, to the ease with which it could be molded to accomplish multiple ends. As such, decentralization has been championed by a wide audience of politicians, economists, and activists from both sides of the political spectrum. Each of these constituents has advocated for decentralization as a means to bring about a particular kind of political

¹⁵ Montero and Samuels 3.

¹⁶ Montero and Samuels 4. Evidence of this trend pointed out by Montero and Samuels is that the number of countries in Latin America in which mayoral candidates are democratically elected has significantly increased.

change.¹⁷ Free market economists promote decentralization to increase the fiscal efficiency of the central government, whereas grassroots community activists encourage decentralization to increase accountability of politicians at the local level. In this way, throughout the latter half of the 20th century, decentralization was bundled within processes of democratization, neoliberal restructuring, and efforts to increase political party competition. Therefore, in order to investigate the consequences of decentralization, first its definition in isolation of these wider phenomena must be carefully considered.

The concept of decentralization describes a multidimensional process that includes political, fiscal, and administrative dynamics.¹⁸ It is therefore necessary to understand each of these three factors, and how they are interrelated, before analyzing decentralization in an applied context. Although it is rarely the case that any one of these forms of decentralization occurs in complete absence of the others, it is nonetheless important to recognize their individual attributes in order to be prepared to identify the origins of both positive and negative consequences of decentralization.

The first dimension of decentralization, political decentralization, describes a movement toward increased electoral competition at the local and regional levels. In a politically decentralized state, positions in regional and local government institutions are highly contested and given importance in national political party networks. This dimension

¹⁷ It is important to note that the views of each of these constituents are largely dependent on contextual factors, or the institutional and socioeconomic legacies of each country (among other factors). A clear example of the contextual factors that shape the initial decision to decentralize, the decentralization process, and the consequences of decentralization can be found in Africa. As Shah explains, “In Africa, both former French and English colonies inherited highly centralized systems of governance geared towards command and control and against responsiveness to [the] public at large.” Anwar Shah, “Balance, Accountability, and Responsiveness: Lessons about Decentralization,” Policy Research Working Paper 2021 (Washington, DC: World Bank, 1998) 2.

¹⁸ Montero and Samuels 5.

of decentralization relies on direct and democratic election of officials to political posts with the assumption that the demands of local elite and interests groups will not overwhelm the democratic political system.¹⁹ Political decentralization as a policy initiative is “often suggested as a way of reducing the role of the state in general,” explains Pranab Bardhan, “by fragmenting central authority and introducing more intergovernmental competition and checks and balances.”²⁰ In this way, political decentralization limits the capacity of the political party or coalition of parties that is in power within the central government to subjugate local and regional government by means of de facto control.

The second dimension of decentralization is fiscal decentralization. Fiscal decentralization describes the amount local and regional governmental institutions control both their revenue accumulation and fiscal expenditure. In this context, a high level of decentralization affords institutions of regional and local government fiscal autonomy from the central government. There are two principal sources from which local and regional governments can generate revenue. The first one is the collection of taxes from citizens living within a particular locality or region. The second source of funding, often used to off-set interregional inequity, is national transfer payments from the central government or other government institutions that exist outside of a given region.²¹ Fiscal expenditure autonomy is defined by the ability of institutions of local and regional government to allocate financial resources in accordance with local and regional necessity. With increased fiscal decentralization, taxes more directly affect the individuals who pay them. By

¹⁹ Montero and Samuels 5.

²⁰ Bardhan 185.

²¹ Transfer payments can also come from other regions or municipalities. In this case, typically, wealthier, more developed regions transfer financial resources to impoverished, less developed regions.

reducing the role of the central government bureaucracy, fiscal decentralization also increases efficiency. The problem encountered within a fiscally centralized government is that the central government institution in charge of allocating regional fiscal resources “has very little information on the local needs, delivery costs and the amount actually delivered.” Consequently, as Bardhan contends, “many programs in developing countries have a large gap between a commitment of resources at the central level and delivery of services at the local level.”²²

The third dimension of decentralization is administrative decentralization. Administrative decentralization describes the “relative authority or responsibility that state/provincial and local governments have to set goals [...] and administer and implement policies.”²³ This aspect of decentralization is highly dependent on the strength and capacity of the institutional structure of local and regional governments to assess the particular needs of their constituents and carry out their proposed initiatives. As such, a prerequisite to administrative decentralization is the trust and confidence of central government politicians in the ability of regional and local authorities to effectively administer public programs.

Although each of the three components of decentralization are distinct from one another, in practice, the results of the implementation of one is often integrally linked to the implementation of another. For instance, regional and local level institutions within a state that is administratively decentralized though not fiscally decentralized will likely have a weak capacity to identify and directly respond to the needs of their constituents as a result

²² Bardhan 193.

²³ Montero and Samuels 7.

of fiscal constraints.²⁴ Furthermore, because decentralization is a process that can occur over both long and short periods of time, and at various levels of government, the consequences of decentralization are often nuanced and have aspects that are both positive and negative.

With the three different theoretical components of decentralization laid out, it is now necessary to consider briefly the principal political policy contexts in which decentralization is implemented. The three contexts that this thesis analyzes in which decentralization is a fundamental component are neoliberal reform, democratization, and political party competition. The first context, perhaps one of the foremost circumstances in which decentralization is implemented in Latin America, is through neoliberal reform. Neoliberal reform is principally comprised of political and economic policies that bring about an increased focus on market-led economics (and fiscal efficiency) and a decrease of state-led development.²⁵ Within this context, structural adjustments produce pressures within the central government to decentralize the provision of social welfare services such as health care and primary education. The rationale that central governments use to promote adjustments that shift social service provision to the sub-national level is that local level direction and implementation will increase financial efficiency. “Decentralization may minimize the information asymmetries that commonly afflict centralized micromanagement of policies” as Montero and Samuels contend, “in areas such as education, healthcare, and housing, which require specific local knowledge.”²⁶

²⁴ For example, in Argentina under Menem, policy authority was decentralized while financing remained centralized. In Chile under the Pinochet regime, to a lesser extent, the same polarization between policy authority and financing occurred. Montero and Samuels 8.

²⁵ State-led development models include Import Substitution Industrialization (ISI).

²⁶ Montero and Samuels 14.

As a result, decentralization brings about a reduction of debt at the national level. This practice is also called fiscal federalism.

From the macroeconomic level, this logic coincides with economic austerity recommendations forwarded by international financial institutions (IFIs) such as the Inter-American Development Bank, World Bank, and the International Monetary Fund. Although some scholars contend that that fiscal pressure was the primary motivator of decentralization in countries throughout Latin America, this assertion seems to lack adequate connection to the political landscape of the time period. Therefore, it is also critical to weigh political motives.

The second context in which decentralization is implicated is the process of democratization. Democratization opens political space for bottom-up pressures to affect local-level politics through direct elections. As a result, citizens demand more accountability and responsiveness from their leaders and offices of local government. Through direct involvement in local-government citizens often demand greater fiscal decentralization so that they can direct local-level programs according to local needs.

The third context in which decentralization plays a central role is political party strategizing and electoral consequences. This framework analyzes the political hierarchies that exist within, and amidst, political parties, and how they exert control over individual politicians at different levels of government. To complete this assessment, one must look at incentives to decentralize because it may be advantageous for a particular political party to decentralize or centralize given certain circumstances. For instance, if a political party is weak at the national level yet strong at the sub-national level, the incentive to decentralize

to its stronger constituents is high.²⁷ In this way, politicians and political parties in particular, are forward looking. In contrast, if the linkage between the national political elite of a particular party and its sub-national constituents is weak, the likelihood of decentralization is substantially reduced.

In order to understand both the origins and consequences of decentralization within the contexts described above it is imperative to analyze pressures that originate from above – the central government, and from below – grassroots constituents. Montero and Samuels distinguish between these two approaches as ‘top-down’ and ‘bottom-up’ analyses. Analysis of pressures originating from above focuses on the policy decisions of national-level political elite and inter-party competition. Looking through the lens of the national-level political elite, decentralization can both increase the voter support (for a particular political party or policy program) and eliminate remaining undemocratic practices at the local and regional level through increased governmental transparency. In contrast, analysis of pressures from below looks closely at the decisions made at the local and regional-levels. For political leaders at either the local or regional level, decentralization can bring about greater control over party-based social networks of support.²⁸ Because both methodological approaches (analysis from above and from below) provide a different view of the origins and consequences of decentralization, the most comprehensive and nuanced evaluation of political decentralization must incorporate both. This holistic lens acknowledges the importance of the incentives for both local and regional constituents, and politicians at the national level.

²⁷ It is often true that sub-national politicians have high level of power over political party election lists.

²⁸ Montero and Samuels 11.

POLITICAL PARTICIPATION

Political theorists and historians who have written on the nature of political participation in the developing world have focused principally on the relationship between civil society and institutions of the state, highlighting the open channels between the two that support participation. In Latin America, the most prominent trend cited by these authors is “the disarticulation of the relations between state and society,” a process that is traced by most analysts back to the middle of the 20th century, and by some, even earlier.²⁹ This transformation, resultant of the “structural and cultural changes arising from the phenomena of globalization and the legacies of the military and neo-liberal project,” has brought about notable changes in the form and frequency of political participation.³⁰ Consequently, the most formidable challenge facing Latin America today is determining “how to reconstitute the idea of a political community or society.”³¹

To begin unfolding the path toward increased political participation, one must first make clear the phenomena of political participation itself. Within literature on political science, political participation is defined, in general terms, as the active involvement of social actors in the sphere of politics. A key component of political participation, as Robert Dahl suggests, is the responsiveness of citizens to the policies made by government institutions.³² At the outset, it is important to avoid the common misconception that

²⁹ Manuel Antonio Garretón, Incomplete Democracy: Political Democratization in Chile and Latin America (Chapel Hill, NC: The University of North Carolina Press, 2003) 1. See also Veltmeyer and O'Malley, 2001.

³⁰ Manuel Antonio Garretón, “The Political Evolution of the Chilean Military Regime and Problems in the Transition to Democracy,” Transitions from Authoritarian Rule, ed. Guillermo O'Donnell, Philippe C. Schmitter, and Laurence Whitehead (Baltimore, MD: The Johns Hopkins University Press, 1986) 191.

³¹ Garretón, “Political Evolution” 191.

³² Robert Dahl, Polyarchy: Participation and Opposition (New Haven, CT: Yale University Press, 1972) 1. Dahl also notes that within a participatory democracy all citizens must be considered equals.

political participation simply connotes the act of citizens voting in government elections.³³ “The participationist is right when he disparages electoral participation,” as Giovanni Sartori writes, “for a ratio of taking part of one to tens of thousands or, in the aggregate, of one to tens of millions, renders that participation meaningless.” Indeed, the abundance of methods and means by which individual citizens and groups of citizens can participate in political processes is far more expansive. Both the act of casting a ballot in a presidential election and the active participation in a rally outside of a government building communicate the needs and desires of citizens to politicians and government officials.

To better comprehend the range of political participation it is useful to divide participation into two categories: formal and informal modes of participation.³⁴ Formal participation is defined as voter “turnout, talking about politics, trying to persuade others to adopt one’s position, and generally paying attention to political events.”³⁵ Therefore, formal political participation, by definition, is not anti-systemic as it does not challenge the underlying legitimacy of the central government. Although, it is important to note that within the bounds of formal participation the citizen is an independent actor, free to attempt to influence the government in accordance with their own preferences. In this way, an active citizen within the context of democratic governance “poses the greatest

³³ Giovanni Sartori writes, “What is definite, and unanimously held by the participationist, is that “electoral participation” is neither real participation nor the appropriate site of participation.” This contention is by and large grounded in the notion that participation is most effective in small settings and on the local level. Giovanni Sartori, *The Theory of Democracy Revisited* (Chatham, NJ: Chatham House Publishers, Inc., 1987) 133.

³⁴ Scott W. Desposato and Barbara Norrander use “conventional” and “unconventional” participation to describe this same split. Scott W. Desposato and Barbara Norrander, “The Participation Gap: Systemic and Individual Influences on Gender Differences in Political Participation” *Proceedings of the Western Political Science Association Conference, March 17-19, 2005* (Oakland, CA: Western Political Science Association, 2005).

³⁵ Desposato and Norrander 3.

potential threat” to the institutionalized practices and “norms of neo-liberalism and elite political rule” owing to unrestricted access to formal channels of participation.³⁶

In contrast to formal forms of participation, informal participation is characterized by “protests and demonstrative activity.”³⁷ Informal participation is therefore defined as the converse of formal participation, or as participation outside of formal channels. By permitting citizens to “voice their opinions on topics controlled, or indeed ignored, by the political elites,” the sphere of informal political participation is often the site of anti-systemic and ideological dissent.³⁸ Although direct contestation of governing institutions is a prominent attribute of informal participation, it is not a necessary component of informal participation. In Chile during the 1980s, for example, evidence of informal political participation within poor communities can be seen in the community-betterment organizations designed to collectively solve problems jointly experienced by a number of community members.³⁹

When considered broadly within the context of Latin America, strong evidence of informal participation can be found during periods of authoritarian rule whereas evidence of formal participation is more prevalent under democratic rule.⁴⁰ Although it is arguable that the divide between formal and informal participation is highly influenced by the

³⁶ Taylor 105.

³⁷ Desposato and Norrander 3.

³⁸ In this way, informal participation is an outlet for two types of individuals, those whose views are not adequately represented by political parties or government representatives, and those who don't believe in the political system itself and advocate drastic reorganizing of society and governing institutions. For example, in the cases of Argentina and Chile, informal participation was a dominant form of civic engagement during the years of dictatorship (and indeed thereafter) and was principally comprised of large scale social movements. Taylor 104.

³⁹ Particular examples of self-help organizations were those created to provide basic functions such as trash removal or side-walk construction during this time period.

⁴⁰ This split between forms of political participation under undemocratic and democratic rule is by no means a universal law, in fact, in the case of Argentina, it will be shown that traditional populist forms of political participation falls into both camps.

government structure—for instance, under authoritarian rule formal modes of participation are typically not permitted—the distinction between the two modes of political participation is still valuable in a comparative analytic context. For example, it is particularly interesting, if not critically suggestive of systemic weakness, to see evidence of mass organizing and protesting within the context of democratic governance. It is also significant to note that different forms of political participation are closely integrated and often directly implicate one another. Voting, for example, can bring about unintended externalities by fostering individuals' interest in other forms of political participation by increasing their knowledge of, and thereby investment in, the political system.

Contemporary evidence of political participation in both Argentina and Chile demonstrates a mix of both formal and informal modes of participation. While collective action and community organizing remain prevalent at the grassroots level, political party networks dominate government institutions at the national level. The difference in form of participation between the national and sub-national level of government reflects, in part, the distinct goals of constituents participating at both levels. Consequently, a scale by which the success of each form of political participation can be measured is their efficacy in instigating change at either the national or sub-national levels of government.

Now that the various forms of political participation have been identified and generally situated within the context of Latin America, it is important to ask: What is the value of assessing whether political participation is effective or not? This question directly engages the theory of democracy, thereby cutting to the heart of this thesis analysis. Central to the theory of democracy is the notion that citizens can influence the government

through political participation.⁴¹ As such, changes in the frequency and form of political participation are not only reflective of its efficacy, but are also critical to the well being of a democracy itself. As Desposato and Norrander write,

Political participation rates are also an indicator of governmental legitimacy, citizens' support for a democratic form of government, and the sense of collective responsibility and civic duty that are associated with consolidated and stable democracies.⁴²

A well functioning democracy will not only permit political participation by its citizens, but equally important, it will encourage citizens to participate in political processes. This practice serves to legitimize the institution of government itself as well. As affirmed by Sartori, there are several distinct elements to participation within a democracy:

(a) participation in terms of interest, attention, information, and competence; (b) participation in support of "voice," i.e.; pursued in terms of demonstration democracy; (c) power sharing, that is, real and effective participation in decision making; (d) a participation that amounts to a true democracy.⁴³

Accordingly, to the extent that it is important to study the well being of a democracy, it is vital to assess the frequency and efficacy of political participation as a critical determinant.⁴⁴

⁴¹ The depth of a democracy is measured along two axes according to Robert Dahl, one of the foremost theoreticians on democracy and democratization. The first is public contestation, or the existence of multiple political parties to compete with the ruling political party. The second is inclusiveness, or the extent to which the public is permitted to participate politically. In this way, the form and frequency of political participation is a critical determinant of the depth (or wellbeing) of a democracy. This model assumes that democratization is a constantly evolving sociopolitical process.

⁴² Desposato and Norrander 2.

⁴³ Sartori 233. Participatory democracy is a form of democratic government in which political participation is significant.

⁴⁴ Here it is important to note that in this thesis I am considering political participation as a positive process, and therefore increased political participation a desired outcome. This assumption does not attempt to disregard warnings by political theorists such as Giovanni Sartori who caution that too much participation can destabilize a central government that lacks sufficient institutional strength. Instead, it is the underlying contention of this thesis that the nature of political participation throughout Latin America today is that it lacks substantial depth and presence, and therefore an increase in political participation substantial enough to result in too much participation is entirely unlikely.

When analyzing political participation, like any other sociopolitical phenomenon, time is a significant methodological concern. Unsurprisingly, forms and levels of political participation are not static.⁴⁵ Therefore, political participation must be analyzed over time. Changes in political participation over time are often examined within the discipline of democratization. Historically, democratization in Latin America was analyzed by scholars “as the restoration of political competition among elites.”⁴⁶ Contemporary considerations diverge from this historical conception and focus more closely on the role of collective action and social institutions, considering how the opening of public space can act as a catalyst for local and regional participation in political decision-making.⁴⁷ In this way, supporters of democracy call for democratic consolidation, or the deepening of democracy through a process of enhancing democratic practices in order to limit the possibility of democratic erosion.⁴⁸ In practice, democratic consolidation refers to the transformation of informal actions within the public sphere into formal or legitimate and effectual forces within the political sphere. This implies, in part, a renewed emphasis on participation in local and national election campaigns of candidates who will fight for desired reforms. As such, the ‘third wave of democratization,’ as some dub the present day challenge to

⁴⁵ Sartori elucidates this point with an example of the evolution of political participation. He writes, “Participation was generally higher around the turn of the century when enfranchisement was being extended or fully granted; it tends to decline with habituation to voting; and the single factor that best explains its variance across time and countries is whether the stakes of politics are perceived to be high.” Accordingly, participation at any one point in time is shaped by its historical context. Sartori 107-108.

⁴⁶ Leonardo Avritzer, *Democracy and the Public Space in Latin America* (Princeton, NJ: Princeton University Press, 2002) 5. See also Linz and Stepan, 1996, for more information.

⁴⁷ For these scholars, ‘public space’ is defined as the sphere that lies between the state and the market. Avritzer 5. See also Avritzer, 2002; Garretón, 2003; Veltmeyer and O’Malley, 2001; Angell, Lowden, and Thorp, 2001; et al. for ‘contemporary considerations.’

⁴⁸ ‘Democratic consolidation’ is a term that was initially used to describe efforts to protect a government against sliding back into authoritarian rule. Contemporary analyses have broadened the term to encompass efforts to deepen democracy in a more generalized manner. For a more in depth discussion of democratic consolidation see Schedler 1998. Andreas Schedler, “What is Democratic Consolidation?” *Journal of Democracy* 9.2 (1998) 100.

democratize, is characteristically different from the first two waves in which there were attempts to resolve the struggle between mobilization and institutionalization.

A second methodological concern that any analysis of political participation must address is the complex nature of results. As Tracy Fitzsimmons asserts, too often scholars use a linear scale to assess transitions within civil society that involve more complicated processes and results than mere increases or decreases in political participation. Since political participation is largely dependent on the nature of the relationship between the state and civil society, as both actors evolve, their relationship undergoes notable transformation. For example, when considering the impact of decentralization on the political participation of a community-based organization (CBO), as Fitzsimmons suggests, there are four possible outcomes that each hold different consequences for political participation. The first possible outcome is that a CBO could *continue* to exist in the manner that it did pre-decentralization. The second possibility is that a CBO could *demobilize* because of the newly decentralized government structure. Thirdly, a CBO could become *incorporated* into government institutions. Lastly, the fourth possible outcome is that a CBO could completely *transform* its organizational structure and goals.⁴⁹

With a theoretical understanding of both decentralization and political participation laid out, and a view of their intended relationship within the context of the participatory development model, it is now possible to assess how both of these phenomena are present in practice. In the next two chapters (2 and 3), this thesis will provide a detailed

⁴⁹ Tracy Fitzsimmons, Beyond the Barricades: Women, Civil Society, and Participation after Democratization in Latin America (New York: Garland Publishing, Inc., 2000) 18. See also Hannan and Freeman, 1989.

description of the two case studies from which analysis of the relationship between decentralization and political participation will later be drawn.

CHAPTER II: CHILE

Although in development theory, decentralization and political participation are mutually complementary, in practice, a direct connection between the two can be obstructed and overshadowed by structural reforms, institutional barriers and undemocratic political elite. Contemporary Chilean politics is evidence of the disaggregation of these two processes. Structural reforms have transferred the provision of social welfare services from the central government to the local level while decreasing the funding available to them; institutional barriers have limited the decision-making autonomy of local government officials and distanced local constituents from participating in local government; undemocratic political elite have fundamentally altered the relationship between political parties and the popular sector through initiatives designed solely to achieve electoral success. In combination, these three transformations have effectively established and maintained both economic and political stability in Chile. Yet, stability is not achieved nor maintained without notable costs. For the majority of Chileans, the resultant decrease in political participation is one such cost.

2.1 THE PROMOTION OF PARTICIPATION DURING THE PRE-COUP PERIOD (1964-1973)

2.1.1 FREI'S PROMOCIÓN POPULAR:

During the 1960s land seizures, massive rallies, and coordinated strikes pulsed throughout Chile.⁵⁰ Poblaciones or shanty towns surrounding Santiago were the locus of collective action and political movements. On November 3rd 1964, Eduardo Frei Montalvo was elected president as the chosen candidate of the centrist Christian Democratic Party (Partido Demócrata Cristiano, PDC). During this period, state-led development was widely accepted as the most effective development model. In an effort to increase the popular support of the PDC, Frei established the Promoción Popular (Popular Promotion), an empowerment program targeting previously marginalized segments of society. This program, implemented through municipal governments, attempted to mobilize individuals to engage their local governments with demands for greater resources and increased responsiveness of state programs.⁵¹ The establishment of Juntas de Vecinos, or neighborhood organizations, was one form of local level organizing and networking that was promoted through Frei's Promoción Popular.⁵² Strategically, members of the political elite used the patronage of the popular sectors to strengthen clientelistic ties at the local level. Under this form of political party-popular sector linkage,

⁵⁰ The movement toward increased political participation and localized control over the provision of social services as influenced by the state-led development model and the evolving relationship between political parties and their constituents can be traced back as early as the 1940s. Paul W. Posner, "Local Democracy and the Transformation of Popular Participation in Chile" *Latin American Politics & Society* 46.3 (2004) 59.

⁵¹ Evidence of the efficacy of Promoción Popular was dramatic increase in land seizures that occurred during Frei's presidency. Posner cites 8 in 1968, 73 in 1969, and 220 in 1970. Posner, "Local Democracy" 61.

⁵² Juntas de Vecinos were coordinated at the national level by an overarching central government organization called the Conserjería de la Promoción Popular (Council of Popular Promotion).

local politicians traded votes through political party networks in order to ensure the success of candidates at the national level.⁵³

Frei's Promoción Popular program was aided by several similarly aimed programs, such as the Reforma Agraria (Agrarian Reform) and the Reforma Educacional (Educational Reform). The success of these initiatives to foster greater political participation at the local level caused increased competition within political parties of the left and center-left that traditionally relied on votes from constituents within marginalized sectors of society. Frei's effort to be more attentive to the needs of the populace unsurprisingly alienated parties of the political right whose politics more directly served business-class needs.

2.1.2 EXTREME POLITICAL POLARIZATION UNDER ALLENDE:

The 1970 presidential election demonstrated the strength and responsiveness of the leftist parties in Chile to organize and mobilize previously marginalized segments of the population, and the rights decision to withdraw its backing of the Christian Democrats. Salvador Allende Gossens was elected with the support of a coalition party called the Popular Unity (Unidad Popular, UP), principally comprised of socialists, communists, and rebellious segments of the PDC. Embracing the momentum of Frei's leftist programs, Allende pursued policies that increased the distribution of government services (such as education and healthcare) with an emphasis on the needs of the poor.

Under Allende, the central government assumed progressively more responsibility for local level provision. As this trend progressed, the municipalities increasingly became administrative bodies of the state with diminishing administrative authority. Tasks

⁵³ Posner, "Local Democracy" 60.

relegated to the municipality were those of trash pick up and cleanliness. The municipalities were also fiscally limited as a result of an outdated, overly inefficient tax system that allowed the central government to take in revenues that the municipalities had legal rights to without any repercussions. What little money the municipalities did receive was poorly managed, ensuring that a limited amount of resources were actually invested in development projects.

The weakened institutional structures of the state fostered the creation of strong party ties between local and national officials. The only way that a municipal mayor, who was chosen head of the elected municipal council, could receive sufficient funding to complete a development project was by appealing to political connections in congress. In this way, the center-periphery patronage relationship along party lines dominated politics. On a spectrum of centralized to decentralized, during this period, Chile was intensely centralized, as political party elite controlled not only what transpired at the national level, but indeed, what occurred at the local level as well.

In accordance with his socialist platform, Allende also expanded Frei's Reforma Agraria and nationalized several large industries such as copper mining and banking. These reforms pushed the two preexisting political / economic trends of centralization to the extreme.⁵⁴ The economy became highly centralized and local government relied more heavily on funding from the central government. Already fiscally encumbered by Frei's

⁵⁴ As Manuel Antonio Garretón writes, during the lead up to 1973 "there was an accelerated and profound capitalist decomposition which was not matched by the coherent construction of an alternative system." Garretón, "Political Evolution" 98.

economic reforms, the state became overburdened by the added government expenses created by Allende.⁵⁵

Within short time, the burgeoning budget coupled with the heightened political organizing and increased ideological polarization of the parties on the left and those on the right precipitated a political crisis. Financially threatened by the increasing demands on the state and the nationalization of prominent industries, the conservative elite allied themselves with the armed forces.⁵⁶ On September 11th 1973, Augusto Pinochet Ugarte, the army commander in chief took control of the government through a military coup d'état.

⁵⁵ During his term, Allende increased government spending by 70%. Posner, "Local Democracy" 62.

⁵⁶ Posner, "Local Democracy" 60. It is pertinent to note that the increase in demands for responsiveness of the government from popular sectors of society was not readily satisfied by either the Frei or Allende government. Ironically, the support of the Christian Democratic Party and the Socialist Party suffered as a result of their inability to satisfy the needs of the flood of popular demand that they had stimulated.

2.2 FORBIDDEN POLITICAL PARTICIPATION UNDER THE PINOCHET REGIME (1973-1989)

Certain that intense political participation of popular sectors and the close relationship between the political parties and grass-roots constituents were the underlying causes of the economic and political instability, Pinochet immediately took steps to limit political participation. Pinochet directed both institutional and military tactics to break apart the nexus between political parties and their networks of popular sector support, thereby dismantling the centralized political system (based on political party networks). Government reforms that increased the powers of the executive branch and limited the autonomy of local government institutionally closed avenues of political participation and contestation. To achieve this end, Pinochet implemented a number of strict reforms to regional and sub-regional administrative offices to strengthen and clarify the chain of command to the central government. While political consolidation had begun under Allende, under Pinochet, political participation was simultaneously forcefully prevented through military repression.⁵⁷ The newly instated military government justified its controversial repressive tactics by asserting that economic stability and growth “required the political, economic, and social exclusion of the previously mobilized popular masses.”⁵⁸

2.2.1 CONCENTRATION OF POWER THROUGH DECENTRALIZATION:

The first large-scale effort to decentralize the Chilean government was administered by the Pinochet regime shortly after taking office in 1973. The Declaration of Principles

⁵⁷ Political party members, organizers, and activists that identified with the political left were targeted by government efforts eliminate political action at the local level.

⁵⁸ Posner, “Local Democracy” 62.

written in March of 1974 laid the groundwork for the subsequent establishment of the Corporation for Administrative Reform in 1976, an institution mandated to transfer administrative responsibilities from the central government to the local authorities. The reasoning forwarded by the Corporation for Administrative Reform was that local level government could provide social services more efficiently than could the central government because of their proximity to the communities that they intended to serve.⁵⁹

The transfer of administrative responsibilities from the central government to institutions of local government, or decentralization, critically transformed the role of the government in several major areas including education, healthcare, and social security.⁶⁰ Schools, previously administered by the central government, were placed under control of local government. Although the authority to administer the schools was transferred from the central government to the local government, financial resources were not. The fiscal cuts affected most significantly the provision of public education at the secondary level and higher.⁶¹ Funding for the universal healthcare system was also significantly diminished when the government program that collected tax revenue to support the system was privatized. This allowed Chileans with sufficient monetary resources to opt out of the government provided healthcare system and seek out their own private healthcare service. As the upper- and middle-classes changed over to new healthcare providers their tax contribution to the state-run system was also withdrawn. As Charles H. Blake writes,

⁵⁹ See Veltmeyer and O'Malley, 2001, for information on participatory development.

⁶⁰ Analysis conducted by Charles H. Blake divides Pinochet's market-oriented reforms into seven different key areas: "agriculture, education, health, justice, public administration, and social security." While each of these areas of reform altered significantly the political and economic landscape in Chile, I've chosen to focus on three (education, healthcare, and social security) that demonstrate the process of governmental decentralization. Charles H. Blake, Politics in Latin America: The Quest for Development, Liberty and Governance (Boston, MA: Houghton Mifflin Company, 2005) 215.

⁶¹ Blake 215.

This policy change left less fortunate individuals tied to a government health system that lost half its funding when middle-and upper-income Chileans entered the private system.⁶²

The government provided social security system was also significantly transformed by privatization. The old pay-as-you-go system was outlawed and replaced by a private investment program.⁶³ An investment-based social security program bears obvious negative repercussions for individuals who live in poor and rural communities who lack sufficient knowledge of the Chilean financial sector, and to whom volatile funds could pose great threat.

Decentralization, in this context, was a central component of Pinochet's agenda of neoliberal economic reform, shrinking the role of the central government in order to enhance the government's fiscal efficiency.⁶⁴ Unsurprisingly, although these reforms transferred administrative responsibilities from the centralized government to the municipalities, they did little to foster political participation – which, under Pinochet's authoritarian regime was strictly controlled.⁶⁵

As a preventative measure to ensure that the power of the regional governments would not usurp control from the central government, 14 days after the coup d'état Pinochet authorized Ley 25 (Law 25) which immediately released all municipal council

⁶² Blake 215.

⁶³ It is important, if not critically telling, to note that the armed forces refused to adopt the new system, retaining the pay-as-you-go pension program. Blake 216.

⁶⁴ Pinochet's economic policy was greatly influenced by his Ministers of Economics who had strong ties to the University of Chicago, USA. The reforms included efforts to liberalize the Chilean economy through liberal market policies that lessened regulation, lowered barriers to trade, encouraged foreign investment, and also the privatization of previously state owned companies.

⁶⁵ The principle tactic employed by Pinochet's military regime to maintain order and control was physical repression. Many political leaders were silenced through covert detention (known as 'disappearances') and torture.

members, including mayors, from their positions in local governance.⁶⁶ In their place the military junta appointed representatives who would act as the unitary local authority. Pinochet also established Communal Social Development Councils (Consejos de Desarrollo Communal y Social, CODECOS) to take the place of the municipal councils, and to serve as a committee liaison between the local citizens and the mayor. Although the establishment of CODECOS was justified by Pinochet as a directive aimed at incorporating local level demands, CODECOS maintained no decision-making privileges and possessed no real power over the mayor. Like the mayors, the members of CODECOS were appointed by the central government.⁶⁷ Additionally, the military junta forcibly ousted all community leaders and replaced them with representatives of the central government, outlawed the Marxist political party, and disallowed trade unions and other public organizations from being involved in local political activity. Cumulatively, local level political restructuring and the decentralization of social services to the municipalities effectively closed all of the major channels of popular sector political participation. As Paul W. Posner argues,

decentralization reforms were designed to limit the democratic freedoms and demand making capacity of the popular sectors in order to protect the fiscal stability of the Chilean state and the macroeconomic performance of the Chilean economy.⁶⁸

By this measure, Pinochet succeeded in achieving both political and economic stability, reinforcing his hegemonic rule within a very short period.

⁶⁶ The appointed mayors were also given stricter guidelines to follow, and could be fired if they exceeded budgetary limitations. The undemocratic election of mayors and municipal leaders under Pinochet broke from the long legacy of local level democracy in Chile. As mandated by the 1925 constitution, mayors were to be elected once every 4 years. This tradition began in mid-1930s. The last pre-coup democratic municipal elections occurred in 1971.

⁶⁷ Posner, "Local Democracy" 63.

⁶⁸ Posner, "Local Democracy" 62.

2.2.2 MUNICIPALIZATION:

Upon the completion of the implementation of the municipal reforms, local government in Chile represented little more than a cost-effective service provider. The Corporation for Administrative Reform had successfully transformed municipal government into an institutional channel for the promotion of the central governments interests at the local level. Pressures from the central government to constantly search for the most cost efficient means of providing social welfare programs resulted in increased contracting-out private-sector services. Within a few years of the completion of the municipal austerity programs, municipalities merely served as intermediaries for the provision of services by private institutions. In some sectors, such as primary and secondary education, municipalities competed with private sector institutions to attract students.⁶⁹ While in others, such as local transit, the municipalities completely shed the responsibility of provision of public transportation to private-sector transportation companies. By and large, the transfer of increased responsibilities to the municipalities increased municipal deficits without significantly decreasing total expenditures.⁷⁰

In spite of the central government's close watch over the offices of local government, during the first year of military rule, Pinochet's central government was unable to foster complete efficiency within the institutions of local government. Strong

⁶⁹ The 1979 decentralization of primary education advanced the provision of primary education by private sector institutions and rolled back the provision of primary education by the municipality. Ultimately, Pinochet believed that the provision of primary education could fall entirely into the hands of private institutions. Tim Campbell, The Quiet Revolution: Decentralization and the Rise of Political Participation in Latin American Cities (Pittsburg, PA: University of Pittsburg Press, 2003) 37.

⁷⁰ In the cases of both health care and education, municipal deficits originated from the "diversion of substantial resources away from the public sector" and the decision of the central government to implement a "fee-for-service" payment plan that was set below the rate of inflation. Posner, "Local Democracy" 64.

partisanship was one of the principal causes of the local level inefficiency. In order to direct greater efficiency, one year after taking office the Sub-Secretariat for Regional and Administrative Development (SUBDERE) was created within the Ministry of the Interior. Simultaneously, Pinochet reorganized Chile's provinces into 13 administrative regions.⁷¹ While SUBDERE functioned as an intermediary regulatory body ensuring the compliance of the regional governments with the policies of the central government, the regional governments themselves were held directly responsible to the central government for all fiscal expenditures.⁷²

2.2.3 INSTITUTIONAL BARRIERS TO LOCAL LEVEL POLITICAL PARTICIPATION:

Government reforms aimed at local level economic austerity fundamentally changed the relationship between the municipality and the individual, carrying with them implications for political participation as well. Whereas previously, collective action and neighborhood organizing were strategies aimed at influencing local level politics, under Pinochet, the relationship between the municipality and the individual was decidedly more client-service oriented. Instead of local leaders representing the demands of the people to the central government, the local leaders were to represent the demands of the central government to maintain a tight bottom line. The new arrangement forced municipalities to

⁷¹ This regional structure left large cities with no direct governing structure independent of the central government. In Santiago, for example, even though there were over 30 communes inhabited by almost 1/3 of Chile's populations, there existed no unitary metropolitan governance structure. Lack of institutional cohesion resulted in disparities in the provision of social services between many communes.

⁷² Historically, municipalities carried out basic responsibilities such as trash collection, traffic control and street lighting. A system of provincial administration coordinated efforts between municipalities. In the early 1970s recognition that political partisanship had severely infiltrated local level politics (thereby limiting its efficiency) provoked efforts to 'clean-up' local government institutions. These efforts set into motion initial attempts at government decentralization.

adopt a private-sector approach to social service provision. Although in practice the enacted reforms resembled those necessary within the participatory development model, Pinochet did little to hide his real intentions – to insulate the central government from the political demands at the local level. As explained by Tim Campbell, “The military regime created corporate bodies that were supposed to represent the interests of different local groups in an orderly manner.”⁷³ Instead of being democratically elected, the members of these organizations, such as Local Advisory Councils, were appointed by the state.⁷⁴ Because they were not forced to answer to their local constituents, often members were unfamiliar with the issues they were charged with representing. Furthermore, low level municipal workers were unable to represent the political desires of their constituents as they were forbidden to express political partisanship or have opinions about national political questions. This feature of the Pinochet regime made Chile’s process of decentralization notably unique.⁷⁵ Instead of explicitly forwarding the politically conservative platform of the central government, “local government, at least in theory, was supposed to be a technically skilled, politically neutral, and efficient provider of services.”⁷⁶

Municipalities also had little flexibility in choosing what services they would provide to their constituents, and any changes in the services provided would need legal approval from a higher authority. “With the exception of the very wealthiest localities in the Santiago area,” writes Campbell, “Chile’s municipal governments did not have a

⁷³ Campbell 35.

⁷⁴ Local Advisory Councils were created with the intent to provide supervisory council to the local municipality.

⁷⁵ Evidence of the importance of non-partisanship at the municipal level was particularly evident in the division of municipalities (into two smaller municipalities) that were previously hotbeds for political contestation. Campbell 36.

⁷⁶ Campbell 35.

meaningful choice as to the type of services they would provide and almost no discretion over the revenues they could raise.”⁷⁷ Additionally, municipalities were prohibited from raising funding according to local needs through borrowing or increasing taxes on their own. Municipalities were instead tied dependently to the monetary transfers from the central government through the Fondo Municipal (Municipal Fund). The impossibility of political change further distanced individuals from involvement in local level politics, and thereby insulated political elite from the pressures of popular sector demands.

Reformed labor laws also significantly impeded political participation. The most drastic of which outlawed the formation of workers unions and “nationwide collective bargaining.”⁷⁸ This reform fractured the labor movement leaving plant-level workers with less capacity with which to pressure plant owners with their demands. Without national organization, functional tasks such as coordinating a strike or collecting dues with which to subsequently pay striking workers were notably more difficult.

2.2.4 THE ROLE OF POLITICAL PARTIES IN OPPOSITION TO MILITARY RULE AND CONSOLIDATION OF THE ALIANZA DEMOCRÁTICA:

While political participation remained limited throughout the mid-1970s, by the beginning of the 1980s visible signs of growing opposition to Pinochet’s intolerance for political dissent were evident. The closing of channels for popular sector political participation provided the impetus for the creation of many self-help groups that “developed in isolation from traditional forms of state and party control.”⁷⁹ Groups that

⁷⁷ Campbell 35.

⁷⁸ Blake 215.

⁷⁹ Posner, “Local Democracy” 65.

had been dissolved by the military junta played key roles in the organization of illegal public protests. These social networks of resistance provided fertile ground for the leadership of lower level political party officials who were expelled from office by Pinochet. This opportunity provided political party leaders (particularly those of the far left) with valuable direct contact with pobladores. The “initial opposition to the military regime came from those social and political sectors identified with the UP” precisely because those individuals experienced the greatest repression immediately following the coup d’état.⁸⁰

Although initially the Christian Democrats (DC) were not part of the opposition protests, gradually, as its middle-class constituents became increasingly affected by military abuses, the PDC began to shift into the opposition camp. During this period the dominant form of opposition transformed from popular demonstration through mass protest to electoral contestation under the leadership of the political elite. This strategic shift in approach reflected the realization within the popular opposition movement that the military regime could readily dispel mass protests. It is important to note that not all parties completed the transition towards a negotiated return to democracy in unison. For some parties involved in the resistance, namely the Christian Democrat Party and the Socialist Party, the fear that continued violent protest would result in a backlash amongst their middle-class constituents motivated a rapid transformation of tactics. These groups realized that the military’s deconstruction of the labor movement necessitated an expansion of the base of support to include business-class citizens as well. The dominant strand of

⁸⁰ Another important actor in the spheres of politics and society during this time period was the Catholic Church. Although initially hesitant to condemn the ruling military regime, by the late 1970s the Catholic Church spoke readily and freely about the need for reconciliation. In this context, the Church represented an un-touchable organization of civil society that could collect and transmit information about the abuses committed by the authoritarian regime without suffering severe consequences. As such “the church was the only actor able to speak for the collectivity.” Garretón, “Political Evolution” 116.

the Socialist Party also recognized the utility of establishing an alliance with the PDC during the transition process. The PS faction discontent with this alliance remained entrenched in efforts to mobilize pobladores in the shanty towns surrounding Santiago.⁸¹

The faction of the PS that had remained pursuant of popular political participation within the poblaciones, motivated by the fear of becoming politically irrelevant, joined the unified opposition party called the Alianza Democrática (Democratic Alliance, AD). The PS desertion of the poblaciones left the Partido Comunista (Communist Party, PC) alone and marginalized from the political opposition that was shaping the transition to democracy.⁸² Although the PC eventually abandoned the promotion of mass mobilization and popular protest as means of bringing about democracy, and joined the AD's effort to orchestrate a return to democracy through elections, the PC never fully overcame its initial social and political separation.⁸³

By the time of the 1980 referendum vote, the opposition was broadly unified. Even though the PDC, the party that played a central role in founding the AD, constituted the core of the AD, the political left-wing parties committed their support. This alliance was based on pre-coup political party networks and forms of political organizing as Manuel Antonio Garretón contends,

...the period of the referendum [...] marked the exhaustion of a type of political activity which consisted mainly of the revitalization and coordination of party structures dating from the democratic era.⁸⁴

⁸¹ The two strands of the PS party being referred to were headed by important political leaders. Ricardo Nuñez led the faction that more quickly joined in an alliance with the PDC whereas the more resistant faction of the PS was led by Allende's Foreign Minister, Clodomiro Almeyda. Posner, "Local Democracy" 8.

⁸² This trend was augmented by the PCs desire to assert its independence.

⁸³ Posner, "Local Democracy" 66.

⁸⁴ Garretón, "Political Evolution" 117.

Following the referendum, the critical task became reconstituting political parties with an orientation towards redemocratization. Although the PDC had significant resources and presence within civil society, it lacked sufficient organizational “capacity for representation.”⁸⁵ The PC too experienced significant organizational problems during this time period. Calls for violent overthrow of the military fractured the various constituents of the left.

The intensification of protests between May 1983 and July 1986 created sufficient space within civil society for political leaders and political party networks to reassert their participation in the resistance movement. This notable change came as a result, in part, of the sharp downturn of the Chilean economy, and a decline in intensity of military repression. The increased momentum of the opposition allowed for the reconsolidation of political parties, the most significant of which was the reunification of the two factions of the PS.⁸⁶

The ultimate consolidation of the AD was achieved through a process of depolarization of political elite. In order to ensure the stability of the movement toward democracy, the AD elites were forced to make two principal concessions. The first entailed a rejection of mass mobilizations as a means to protest of the military dictatorship, and the second was to accept the economic stabilization policies that Pinochet implemented. In this way, the elite’s acceptance of the demobilization of popular sector political participation was an underlying precondition to democracy. Political elites were forced to distance themselves from their connections with grass-root constituents. As a

⁸⁵ Garretón, “Political Evolution” 117.

⁸⁶ Garretón, “Political Evolution” 118.

result, the local and regional organizations that depended on the interconnected network of political support emanating from the political party officials atomized and collapsed.⁸⁷

⁸⁷ Posner, "Local Democracy" 66.

2.3 POLITICAL PARTICIPATION AFTER REDEMOCRATIZATION (1990-PRESENT)

The unified efforts of the AD culminated in 1988 with a plebiscite on whether Pinochet should remain in office.⁸⁸ With the support of the Concertación de los Partidos por la Democracia (Coalition of Parties for Democracy), Patricio Aylwin won the 1990 election with 55% of the vote.⁸⁹ Pinochet's defeat led to the first democratic presidential election since the election of Salvador Allende 20 years earlier, in 1970.

The years immediately following the transition to democratic governance were characterized by an attempted redefinition of the relationships between the central government, political parties, and civil society. The Concertación's agreed-upon commitment to both the neoliberal economic policies created by the military government and the depoliticization of civil society fundamentally shaped (or, limited the reform of) Chile's economic and political structure post-democratization. The role of civil society in the political process of consolidating the opposition to Pinochet's authoritarian rule changed once there was no longer one unifying cause behind which there was unanimous support. As Garretón writes, "With this change the central social movement won in instrumental terms, but the price paid was that particular demands began to be subordinated to political objectives."⁹⁰ Political parties took on the views of individuals and organizations within civil society as their own, causing a "deactivation of the social

⁸⁸ For election results see Appendix: A.

⁸⁹ This coalition included the Christian Democrat Party, the Party for Democracy, the Socialist Party, the Social Democrat Radical Party, and the Humanist Party. For election results see Appendix: A.

⁹⁰ Garretón, *Incomplete Democracy* 85.

movements,” and a decline in political participation that subsequently “left the social movements without a central principle for the future.”⁹¹

Having driven the movement for regime change, civil society receded from the forefront of politics in order to allow the newly reinstated political parties the space to orchestrate the strongest possible unified transition to democratic governance.⁹² In this way, both political leaders and organizations within civil society were subordinate to (and dependent on) one another, neither capable of opposing the Pinochet regime without the others assistance, and neither strong enough to coordinate a transition to democracy without the others compliance.⁹³

The transition to democracy also had direct consequence for the established relationship between the political / intellectual elite and the pobladores. Under the dictatorship the two groups had maintained a strong, mutually beneficial relationship. This unity was based principally on their combined efforts to protest the dictatorship. The fall of Pinochet’s regime coincided with a fracturing of the ties that once existed between these two groups who both occupied different roles within the new democracy. Therefore, although the situation within poblaciones remained dismal under the first decade of Concertación leadership, there existed very little intellectual critique of economic and political processes at the national level. As Julia Paley observes, “...people who were critiquing [the economic and political] model in the eighties [were not] critiquing it in the

⁹¹ Garretón, *Incomplete Democracy* 85. Also see Paley, 2001.

⁹² In this context, ‘regime’ refers to the administration that prevails over the central government.

⁹³ As Garretón explains, “[authoritarian leaders] leave power through mobilizations by the civil society, negotiations between the dictatorship and the political class representative of that civil society...” Garretón, *Incomplete Democracy* 82.

nineties.”⁹⁴ Three factors influenced this occurrence. The first was that the success of the Chilean economy during the 1990s increased the socioeconomic gap between the elite and lower socioeconomic class constituents. The second influential factor was the proximity of intellectuals to the government and political party institutions served as a deterrent to sharp criticism of the economic and political model. As employees and consultants for various offices of the Chilean government, the scholars and academics that once publicly called for democracy, found themselves in compromised positions and as such discouraged from publishing their own research findings. Lastly, the third factor that inhibiting continued strong relationships between the political elite and the populous sector was the fear that a reintroduction of praetorian politics might bring about another military intervention. This transformation of the roles of the political elite and populous sectors, and fundamental shift in the power dynamic between them, resulted in the elimination of political space previously used by individuals and organizations within civil society to voice dissenting viewpoints.⁹⁵

Also characteristic of the early years of the democratically elected Concertación government was a fundamental ideological polarization of democracy and authoritarianism. This distinction obligated citizens to at least passively support the Concertación government, because “to do otherwise was to invite what was considered the only other alternative: authoritarian rule.”⁹⁶ In order to shore up national unity and draw sharp contrasts between the past dictatorship and the current democracy, the central government

⁹⁴ Julia Paley, Marketing Democracy: Power and Social Movements in Post-Dictatorship Chile (Berkeley, CA: University of California Press, 2001) 186.

⁹⁵ Paley 187.

⁹⁶ Paley 116.

made a concerted effort to quiet dissenting views. This phenomenon closed out room for discussion of viewpoints alternative to those held by the political elite on the quality of the established democracy, disallowing the open discussion of ideas integral to the vitality of political participation and consequently democracy itself.

Homogeneity of political views also resulted from a self-censorship mechanism. Having elected government officials through the democratic practice of voting, a practice that many individuals naively defined as the extent of political participation within a democracy, members of the populous sector didn't know to whom they could voice their concerns that their new realities did not align with their expectations. Increased political polling by government agencies during the 1990s reaffirmed citizens' belief that they fulfilled their role as active participants within the new democracy. The logic followed that if you have participated in the political process by voting and filling out surveys, then you are directly responsible for the government's failings and you should not protest them. These sentiments highlight a prominent trend in Chilean society following the transition to democracy.

The transition to new forms of political power also facilitated a process of demobilization of many NGOs, community based organizations (CBOs) and grass roots initiatives by altering their administrative and financial capacities. As Paley explains, "Community groups that did not fit into the state's agenda for participation were isolated and marginalized, finding themselves excluded from broader roles in local politics."⁹⁷ Under the Concertación, dialogue and negotiations between institutions of the State and

⁹⁷ Paley 180. Participation, as Paley uses it, is defined as political participation and participation in state-wide programs.

civil society were encouraged on the surface-level. NGOs and community organizations made their demands heard by various government institutions, but no new funds or resources were given out to aid local communities. Healthcare provision is a widely cited example of this phenomenon. “Although the Concertación increased overall health expenditure, health services remained privatized, [under Pinochet] government expenditures had already been cut, and [the provision of] public health services had been decentralized to municipalities.”⁹⁸ Additionally, funding previously available to NGOs from international organizations “had dried up or was being channeled through the state.”⁹⁹ Without seeing positive results of their efforts at either the municipal level or at the state level, NGOs and community groups were effectively excluded from wider rolls within the emerging political system.

As a result of these constraints, “both grassroots groups and nongovernmental organizations saw benefits—financial and otherwise—in conforming to the role for organizations designated by the state.”¹⁰⁰ This role entailed the responsibility of providing social services such as health care and education to the general public that were formally provided by the central government. This practice was justified on an ideological basis as part of the transition towards the participatory development model. This institutional model, inherited from the Pinochet regime by the Concertación, was further entrenched by the 1992 municipal elections which expanded the influence of the Concertación at the local level.

⁹⁸ Paley 115.

⁹⁹ Paley 131.

¹⁰⁰ Paley 180.

2.3.1 DEMOCRATIZATION THROUGH DECENTRALIZATION – REMAKING MUNICIPAL GOVERNMENTS:

At the local level, democratic reformers within the Concertación have very slowly challenged the hierarchical institutional arrangements put in place by the Pinochet government. The Basic Municipality Law of 1992 established the legal basis for the democratic election of mayors and council members of municipalities.¹⁰¹ This law overrode the undemocratic practice established under the military dictatorship of appointing party members to influential positions of local government.¹⁰² As a result of this newly created law, the June 1992 local elections eliminated the appointed mayoralty, constituting one of the first efforts post-dictatorship to dismantle the “antidemocratic enclaves left by the Pinochet regime.”¹⁰³ Additionally, under the Basic Municipality Law, municipalities were given a small amount of increased control over their own budget and services that they provided to their constituents.

In 1994, changes in the Law of Municipal Revenue and distribution of property taxes slightly increased each municipality’s tax base. This advancement was still not sufficient enough to provide municipal governments enough revenue to overcome fiscal deficits.¹⁰⁴ Together, the Basic Municipality Law and the reforms made to the Law of

¹⁰¹ Electoral incentives were central in the debate over how the mayoralties should be reformed. This is because the strong competition between the Chilean political parties attempting to position themselves with the greatest benefit. Dagmar Raczynski, “Overcoming Poverty in Chile,” Social Development in Latin America: The Politics of Reform ed. Joseph S. Tulchin, and Allison M. Garland (Boulder, CO: Lynne Rienner Publishers, Inc., 2000) 133.

¹⁰² When Aylwin took office in 1990 only 15 of the 335 mayors in Chile had been democratically elected. During the two year interim between when Aylwin took office and the successful implementation of the Basic Municipality Law of 1992, most groups and individuals within the popular sectors were forced to continue to interact with mayors appointed under the Pinochet regime.

¹⁰³ Gary Bland, “Enclaves and Elections: The Decision to Decentralize in Chile,” Decentralization and Democracy in Latin America, ed. Montero and Samuels (Notre Dame, IN: University of Notre Dame, 2004) 95.

¹⁰⁴ Raczynski 133.

Municipal Revenue increased the political decentralization of the overwhelmingly centralized political system created by Pinochet. Despite these advances since redemocratization, local level political representatives have not enjoyed the strong connection to or influence over national-level politics and political parties that they previously maintained.

Institutionally, local level democracy remains weak. Although Alywin promised the democratic election of all subsequent mayors and municipal council members, the elections are not direct, but instead “outcomes are largely determined by electoral pacts and subpacts among allied political parties.”¹⁰⁵ As Posner asserts, “in many instances ... the candidates receiving the highest number of votes are not the same candidates who actually assume office.”¹⁰⁶ This institutional arrangement advantages municipal candidates who have created a political pact with either of the two dominant political party pacts (right-wing Alliance for Progress pact includes the RN and the UDI, and the center-left-wing Coalition of Parties for Democracy pact includes the PDC, PPD, PS, and PRSD) and disadvantages independent candidates. In this way, political parties on both the right and left of the political spectrum manipulate the local system of government in order to ensure their continued control.¹⁰⁷

2.3.2 DISCOURAGED POLITICAL PARTICIPATION:

¹⁰⁵ Posner, “Local Democracy” 67.

¹⁰⁶ Posner, “Local Democracy” 67.

¹⁰⁷ Paul W. Posner, “Popular Representation and Political Dissatisfaction in Chile’s New Democracy,” Journal of Interamerican Studies and World Affairs 41.1 (1999) 79.

Within contemporary Chilean society the role of popular sectors within democratic processes has receded under the Concertación. Voter participation is one basic measure of this phenomenon. The clearest trends show a rise in the number of political independent voters, and an increase in voter disenchantment. During the 1990's political identification amongst the Chilean electorate declined sharply. As Delia M. Boylan writes,

Between November 1993 and July 1997, those identifying with the right or center-right of the political spectrum declined from 28 to 22 percent, those with the center from 18 to 10 percent, and those with the left or center-left from 37 to 21 percent.¹⁰⁸

This trend, as described by Boylan, corresponds with a rise in the number of individuals that defined themselves as political independents during the same time period from 17 to 47 percent.¹⁰⁹ These two correlating trends, fewer individuals identifying with political parties and more individuals identifying as political independents, suggests an increase in the lack of confidence in the traditional political parties. Instead of remaining tied by party loyalty, many members of the Chilean electorate were in search of candidates that would address their individual needs and desires.

Also characteristic of the 1990s was a growth of political apathy amongst individuals within the popular sector in Chile. Boylan cites low levels of political participation in election campaigns, political events, and public meetings as evidence of this trend.¹¹⁰ Voter abstention and voters that nullified their ballot or otherwise indicated 'no preference' in parliamentary elections climbed from 14.1% in 1989 to 30.5% in 1993.¹¹¹

¹⁰⁸ Delia M. Boylan, "Taking the Concertación to Task: Second Stage Reforms and the 1999 Presidential Elections in Chile," *Post-Stabilization Politics in Latin America: Competition, Transition, Collapse* (Washington, D.C.: Brookings Institution Press, 2003) 148.

¹⁰⁹ Boylan 148.

¹¹⁰ Boylan 148.

¹¹¹ Boylan 148.

Plotting a similar trend, voter abstention in presidential elections jumped from 5.30% in 1989 to 8.69% in 1993, and increased again to 10.06% in 1999.¹¹² These noticeable increases in ballot nullification and voter abstention indicate a lack of confidence within popular sectors that the political elite were genuinely aware of and concerned about the needs of most Chileans.

The economic recession that hit Chile in 1999 demonstrated to working class Chileans, the popular sector hit most severely by the economic hardship, that the Concertación was unable to provide solutions to real problems.¹¹³ Large income inequality and poor social service provision were two issues that the populace attributed to poor management by government officials. Overall, “In 1996 only 27 percent of those polled expressed satisfaction with Chilean democracy, a substantial decline from its 75 percent approval rating in 1990.”¹¹⁴ According to a 1996 Latinobarómetro survey measuring Latin Americans’ views of the nature of democracy in their own countries, only 10 percent of Chileans thought that democracy was “fully established” within their country.¹¹⁵

The near success of UDI’s candidate Joaquín Lavín running in the 1999 presidential election against the Concertación’s incumbent Ricardo Lagos was evidence of the significant dissatisfaction with the Concertación’s leadership.¹¹⁶ Moreover, the Chilean electorate cared less about big picture issues such as the promotion of human rights, an

¹¹² See Appendix: A.

¹¹³ Such ‘problems’ include the lack of provision of basic healthcare and education services.

¹¹⁴ Boylan 149.

¹¹⁵ Posner, “Popular Representation” 59.

¹¹⁶ The 1999 presidential election required a run-off between Lagos and Lavín because neither was able to capture a sufficient majority of the electorate. The run-off round resulted in a slight victory for Lagos and the Concertación of less than 1%. See the Tribunal Calificador de Elecciones de Chile, “Elección de Presidente 1999 Total Nacional” at <<http://www.tribunalcalificador.cl/resultado.php>> for more information.

issue central to the platform of the Concertación, and cared more about practical solutions to real everyday problems. Chileans demonstrated their pragmatism by voting not in accordance with ideological lines, but instead in support of concrete policy initiatives.

2.3.3 NGOs PROFESSIONALIZED AND INSTITUTIONALIZED:

The third trend characteristic of contemporary Chilean society is the “institutionalization” and “professionalization” of NGOs.¹¹⁷ In order to become formally recognized within the democratic institutional system, NGOs were required by law to register with the central government. The process of legalization required organizations to define areas of responsibility and general hierarchy. As Philip Oxhorn writes, “legal recognition by even the democratic regime is sometimes seen as a restriction of the organization’s ability to act autonomously.”¹¹⁸ This increased professionalism contradicted the organic structures and fluidly changing roles and objectives of many organizations. As a result, many of the members of organizations who participated solely on a voluntary basis were closed out.¹¹⁹

This trend was further reinforced by the changes in the funding structures available to NGOs. While under the dictatorship organizations received funding for both long and short terms projects / proposals directly from international organizations such as the European Union (EU) and the United Nations (UN), under democratic governance,

¹¹⁷ Lucy Taylor, Citizenship, Participation and Democracy: Changing Dynamics in Chile and Argentina (New York: St. Martin’s Press, Inc., 1998) 162.

¹¹⁸ Philip Oxhorn, “Understanding Political Change after Authoritarian Rule: The Popular Sectors and Chile’s New Democratic Regime,” Journal of Latin American Studies 26.3 (1994): 752.

¹¹⁹ Taylor 162.

international funding is channeled through the central government.¹²⁰ The new funding structure provides the Chilean government increased control and management of the projects and programs of NGOs by directing funds towards efforts that fit the state's aims. Through either direct agreement or public bidding, organizations are forced to compete for project funding.¹²¹ As a result, funding has become limited to specific projects and typically does not cover overhead costs. Furthermore, the central government tends to chose short-term projects over long term initiatives.¹²²

These structural changes have altered the relationship that exists between NGOs and the populous sector. NGOs must now focus on costs, changing their relationship with members of the populous sector to resemble more closely that of professional / client.¹²³ Through the process of democratization, the Concertación systematically institutionalized organizations that once protested the Pinochet government. Today, NGOs must focus more intently on ensuring their own survival than adhering to an ethical compass.¹²⁴

2.3.4 AUTONOMOUS POLITICAL ELITE:

The role of political elite in contemporary Chilean society is shaped significantly by the legacy of their actions under Pinochet's authoritarian rule. In effort to unseat Pinochet's military government during the 1980's political elite made concessions to one another in order to promote both pragmatism and coalition building to achieve the common goals of democratic elections and economic stability. During this period of time

¹²⁰ Taylor 162.

¹²¹ Raczynski 134.

¹²² Taylor 163.

¹²³ Taylor 163.

¹²⁴ Taylor 164.

political elite made concerted efforts not to appeal to specific segments or groups within Chilean society in order to promote universal opposition to Pinochet's regime.

Immediately following the transition to democracy, popular sector leaders and the political elite committed themselves to working within the established system of political parties instead of participating in autonomous popular sector organizations. Political parties "served as the primary interlocutors between the state and civil society."¹²⁵ To many political leaders who fought to create democracy in Chile, democracy itself was defined as free participation within the political system. During the early 1990s, political leaders were afraid that applying too much pressure on the central government could result in destabilization of the fledgling democracy. As a result, a self-reinforcing trend ensued in which elites entered the party system at the top and received powerful positions of party leadership. In this way, post-1990, intellectual and political elite were perceived by many individuals within the popular sectors as the actors that have benefited the greatest in terms of increasing their ability to affect decision-making on the national level.

One result of the strengthening of the political-intellectual class, according to Garretón, is their increased autonomy from the populous sectors of society which constitute their voting base.¹²⁶ By remaining removed from political participation on the local level, intellectual and business elite are "legitimizing and thereby fortifying the neoliberal economic model through promoting images of Chile's political system abroad" through the "strategic use of the flexible and multifaceted concept of democracy."¹²⁷ In this sense, to all onlookers and the Chilean middle-class, the intellectual elite in Chile have

¹²⁵ Posner, "Popular Representation" 60.

¹²⁶ Garretón, *Incomplete Democracy* 104.

¹²⁷ Paley 126.

ideologically reinvented the country without paying heed to community-level dissatisfaction.¹²⁸

Political parties' and leaders' (especially those of the Right) continued acceptance of "neoliberal economic policies as a precondition to democratization ... [has] reinforced the breach between party and base by limiting the parties' ability to respond to popular sector concerns."¹²⁹ Issues such as labor laws and the persistence of immense economic disparity, which is the second highest in Latin America, have not been successfully addressed through policy reform. The Concertación, abiding by center-left political principles, has made attempts to lessen inequities resultant of neoliberal economic policy, though institutional impediments and strong efforts by the political right-wing have effectively neutralized these efforts.¹³⁰

2.3.5 CLIENTILISM THROUGH POLITICAL PACTS:

The emergence of the Concertación and the Alianza por Progreso as the two dominant political actors following the transition to democratic rule can be attributed to the legacy of the 1980 constitution and the electoral system. In effort to limit political contestation during the second half of the 1980s, Pinochet implemented a rule that stipulated that all legislative seats are to be contested in two member districts. After redemocratization, for the first time, this law had significant consequences. By limiting legislative races to only two candidates, this arrangement forces candidates into political

¹²⁸ Garretón, *Incomplete Democracy* 104.

¹²⁹ Posner, "Popular Representation" 61.

¹³⁰ Posner, "Popular Representation" 61. Posner cites the "presence of designated senators and the binomial system" as two examples of 'institutional arrangements' that have slowed the process of reform.

coalitions in order to succeed. The implication of this law is that it is advantageous for coalitions to place their strongest candidates in the most highly contested electoral races. The precariousness of this situation results in strong tensions amidst parties within expansive coalitions (such as the Concertación). To overcome this obstacle, the Concertación has created informal safety nets that reward candidates who incur great risk in order to benefit the coalition.¹³¹ While this strategic approach to overcoming electoral barriers has earned the Concertación dominance within the legislative, and thereby the executive, political races since the return to democracy in 1990, its informal nature lends itself to instability.

Despite the electoral success at the level of the central government enjoyed by the Concertación, the Alianza por Progreso has retained a strong, if not dominant presence at the local and regional levels. This strong presence of the Right, which has steadily risen since 1992, has proved problematic for the Concertación's efforts to pass legislation that proposed to democratize the electoral process at the local and regional levels. In part, this trend can be attributed to the large number of Rightist candidates that have maintained majorities within Municipal Councils as a legacy of the military regime. It is from this pool of council members that municipal mayors are chosen, thereby giving the UDI and the RN advantaged positions.

The electoral battles at both the national and local levels are therefore highly dominated by existing political party pacts. For this reason, political elite at both the local and national level are not held accountable by the citizenry that they purportedly represent,

¹³¹ John M. Carey and Peter M. Siavelis, "Insurance for Good Losers and the Survival of Chile's Concertación," *Latin American Politics & Society* 47.2 (2005): 2.

but instead pay greater heed to the national political party leaders and the needs of the coalition.

CHAPTER III: ARGENTINA

In contrast to the Chilean case, in Argentina, decentralization and political democratization occurred nearly in tandem. First implemented in Argentina as a component of wide reaching neoliberal structural reforms, decentralization has directly challenged the state-centric foundation of Argentine politics. On one side, structural reforms, institutional barriers, and undemocratic political elite have all limited the channels available to political participation, and on the other side, the underlying “traditional political culture and the unwritten norms of political practice” remain fervent.¹³² This challenge uncovers a fundamental ideological paradox between populist political participation and decentralization influenced by elitist market ideology. The resultant divide has had an immense effect on Argentine political participation.

¹³² Taylor 99.

3.1 THE SEEDS OF INSTABILITY: TRADITIONAL MODES OF POLITICAL PARTICIPATION AND THE LEGACY OF PERÓN

In order to assess the effect that the process of decentralization in Argentina has had on political participation one must first understand traditional modes of Argentine political participation. Historically, political participation in Argentina has been framed by the context of mass movements. This form of participation, “centered around local party activism, clientelism, mass mobilization on the streets and corporatism,” was favored by populist leaders.¹³³ Juan Perón was one such populist leader who ascended to the Argentine presidency on a platform promoting the interests of working class families in 1946. In particular, Perón supported strong labor protection laws and extensive welfare support programs. “In Argentina, the welfare model was linked to populist and corporatist political mechanisms and the model was particularly associated with Peronism,” Lucy Taylor affirms.¹³⁴

Presiding over the Argentine presidency for two consecutive terms spanning from 1946-1955 (and then returning to office in 1973), Perón’s clientelistic model of elite-popular sector relations lay the foundation for norms of contemporary political participation. Because mass mobilization and community organizing were the driving forces behind local and regional political participation of popular sectors of society, popular sentiment played a significant role in defining political party identity. As Taylor acknowledges, “Party affiliation appears to depend more on identity and emotion than

¹³³ Taylor 100.

¹³⁴ Taylor 170.

thought and opinion which raises the stakes in terms of passion to the detriment of reason.”¹³⁵

The popularity of mass movements in Argentina created political instability throughout most of the 20th century. Politics was dominated by oscillations between democratically elected presidents and military juntas. From 1928 onward, every democratically elected president was ousted by a military coup.¹³⁶ The explanation for the successive failures of democracy can be tied to many different causal factors. Two of the principal factors were unstable economic growth (in spite Argentina’s high level of wealth) and the underlying disconnected nature of the relationship between political parties and their constituents.¹³⁷ Throughout the middle of the 20th century, political parties failed to sufficiently integrate the interests of powerful socioeconomic actors and legitimately attend to the needs of working class Argentines. As Steven Levitsky contends,

Intense sociopolitical conflict among agrarian elites, industrialists, unions, and leftist youths undermined governability, threatened established elites, and created a generalized atmosphere of violence and disorder, which left civilian governments vulnerable to military intervention.¹³⁸

Consequentially, actors not satisfied with the policies of the ruling government and the actions of the political elite pursued power via other means. Stratagems employed by the socioeconomic elite to express their interests often involved pressuring the military to overthrow the ruling political party (thereby challenging the governments legitimacy).

¹³⁵ Taylor 100.

¹³⁶ Steven Levitsky “Argentina: Democratic Survival amidst Economic Failure,” The Third Wave of Democratization in Latin America ed. Frances Hagopian, and Scott Mainwaring (New York: Cambridge University Press, 2005) 66.

¹³⁷ While the Peronist party established links to labor unions just before and during the first Peronist government in power from 1946-1955, during much of the time between 1955 and the return to democracy in 1983 the Peronist party was banned. Many scholars suggest that the exclusion (or un-integration) of labor unions is a significant source of political instability.

¹³⁸ Levitsky 68.

As a consequence of the un-integrated demands of various sectors of Argentine society, governmental institutions remained weak and therefore easily manipulated. Corruption penetrated nearly every level of state bureaucracy. Echoing common sentiment, Levitsky comments,

Whenever the political or economic rules of the game were perceived to harm the short-term interests of those in power, they were circumvented, manipulated, or changed.¹³⁹

Post 1947, evidence of politicians' brazen disregard for the Constitution is seen in the repeated expulsion of Supreme Court judges, who were legally appointed to life-terms, by nearly every president until the return to democracy in 1983. Institutional weakness exploited by undemocratic political elite, became a "dominant feature" Argentine politics during the 20th century.¹⁴⁰

Military juntas overtook the presidency, in part, in response to the instability of traditional political maneuvering, when corruption and inefficiency threatened to destabilize the state. Tactically applied repression enabled governments to carry out controversial policies and programs. This habitual clash between popular movements and authoritarian elite substantially eroded the popular sectors' basic trust of political parties and government institutions.

The lead-up to the 1976 military coup d'état, the last transition from democratic governance to military rule, was not unlike the numerous preceding undemocratic transitions. Isabel Perón resided over the presidency as a result of the death of her husband, Juan Perón, who had returned from exile for a third term in office in 1973.

¹³⁹ Levitsky 72.

¹⁴⁰ Levitsky 72.

Isabel Perón's presidency was short-lived, in part, because of the repercussions of the two-faced nature of the preceding government led by her husband. While Juan Perón continued to expound populist promises, albeit more moderate than those of his previous two terms in office beginning nearly 30 years earlier, he simultaneously employed heavy-handed authoritarian tactics to quiet the mounting demands of the lower and middle classes of Argentines.¹⁴¹ Unlike his first two terms in office in which demands of the popular sectors of Argentine society were more readily satisfied by populist rhetoric, during the lead-up to the 1976 military junta, many political elite feared that unbound political participation threatened to destabilize the Argentine government. Unable to stabilize the political volatility induced by Juan Perón's death in July of 1974, Isabel Perón was deposed by a military coup d'état in March of 1976, giving way to the last military junta government.

¹⁴¹ As Charles H. Blake confirms, "Rather than leaning on organized labor alone, Perón—who had marginalized communist labor unions during his rise to power—issued vaguely leftist public sentiments designed to inspire a new generation too young to remember his presidency." Charles H. Blake 131.

3.2 POLITICAL PARTICIPATION UNDER THE LAST MILITARY JUNTA (1976-1983)

In March of 1976, the military junta launched a process of national reorganization called *Proceso Militar* (Military Process). Initially, the military junta government enjoyed the support of the upper-middle class and upper class Argentines who viewed the previous years of Peronism overly chaotic and unstable. This support was gradually eroded as evidence of military brutality mounted, and the performance of the economy worsened. Although the military junta government claimed that the repression was tactically aimed at pacifying the regimes dissidents, clear evidence of the detention, torture, and murder of non-combatants and non-extremists rendered this excuse little more than a veil.

During this time period the Argentine media was highly censored. The militaries ability to convince many Argentines that they were winning the War of the Malvinas up until their final surrender is evidence of the profound misinformation. Demonstrations and protests lead by groups within civil society that were mounting prior to the War of the Malvinas intensified upon witnessing the militaries incapacity to defend Argentine territory from external threat.¹⁴² The lead-up to the 1983 presidential elections saw an upsurge in political activism, in particular by individuals of lower and middle classes. Many Argentines that had grown-up beneath military rule enthusiastically joined political parties in order to promote democratic ideals.

¹⁴² The War of the Malvinas (or Falkland Islands) was instigated by a territory dispute between Great Britain and Argentina. Although both countries claimed ownership of the islands, Great Britain held control of them. The Argentine militaries decision to retake the islands by means of military force was in part an effort by the military to drum up national support and morale for the military junta government in power.

3.3 POLITICAL PARTICIPATION AFTER REDEMOCRATIZATION (1983-PRESENT)

3.3.1 ALFONSÍN'S STRUGGLE FOR DEMOCRACY (1983-1989):

The final transition from military dictatorship to an elected democracy came in 1983, with the election of Raúl Alfonsín. Immediately following the 1983 presidential election political participation surged. Argentines that grew-up beneath military rule that were newly afforded the democratic right to act and speak freely joined political parties en masse. Alfonsín won, by and large because of his appeal to individuals of the lower and middle socioeconomic classes. His platform outlined strategies to reduce poverty and unemployment, and adhere to a strict defense of human rights. His Radical government attempted to consolidate Argentina's democratic institutions and rid its offices of corruption.

Alfonsín's subsequent failure to accomplish the wide-reaching goals of government renovation that he set out to achieve resulted in dissolution among the populace. Despite this palpable sentiment of discontent, Alfonsín successfully oversaw several democratic institutional transformations. One such transformation was the clear efforts of political parties of both the left and right to consolidate their party networks and reorient them within the new democratic structure. The PJ, a party not previously supportive of the practice of liberal democracy in an outward manner, made clear efforts to encourage Alfonsín's attempts at stabilizing Argentine politics through democratic means. Political conservatives too gravitated toward the center, abandoning their traditional reliance on the

military to protect their interests, by creating a center-right political party called the Center Democratic Union (Unión del Centro Democrático; UCEDE).

Moreover, Alfonsín encouraged the organization of civic groups and reemergence of labor unions in attempt to provide stability to the fledgling democracy and prevent the reemergence of military rule. During this period, the Argentine media also made significant advancements as an independent and largely uninhibited structure aiding the development of civil society and fomentation of democracy. Consequently, human rights focused civic groups acted as a guard against further abuses of human rights through the threat of exposure.

Alfonsín also took several steps to ensure the disempowerment of the Argentine military. His first step in this effort entailed putting military officers on trial for the perpetration of gross violations of human right during the preceding military junta.¹⁴³ To further extend civilian authority over the military, Alfonsín also created a law that prohibited the military from intervening in domestic affairs (1988 Defense Law) and cut military spending. The military rebelled in response to these new laws, forcing Alfonsín to make several concessions. The 1987 Due Obedience Law was one such measure of appeasement which protected lower level military officer from legal prosecution.

Alfonsín's term in office was also plagued by economic problems as a result of a mounting national debt originating in Argentina's state led import-substitution

¹⁴³ Although the initial scope of the accusations was wide reaching, the trials themselves were unsurprisingly limited in their scope.

industrialization (ISI) model of development.¹⁴⁴ Within a short period, hyperinflation ensued. As a result, Peronist labor unions split with Alfonsín over his attempts to remedy the failing economy, and mass protests and looting throughout all of the major cities in Argentina ensued. Alfonsín's weakening base of support was seen in the UCRs unexpectedly poor performance in mid-term elections, giving the PJ an opportunity to gain legislative seats. Unable to arrest his failing economy and political destabilization, Alfonsín resigned from office six months prior to the end of his presidential term. Remarkably, although the economic and political crises of 1989 affected all of Argentina, the democratic regime remained intact. As Levitsky notes,

The 1989 transition marked the first time in Argentine history that power was handed from one democratically elected president to another from a different party.¹⁴⁵

Although the military had rebelled, and looters had ransacked stores, serious civil liberties were not violated and Alfonsín's government was never compelled to declare a state of emergency.

3.3.2 DECENTRALIZATION THROUGH DECEIT UNDER MENEM (1989-99):

The 1989 presidential election represented a new opportunity to reestablish economic stability and further the process of Argentine democratization. The newly increased presence of the PJ in the legislature, and the audible public desire for an alternative, led to the swift presidential victory of Carlos Saúl Menem, a long time politician

¹⁴⁴ Import-substitution industrialization is a development model based on the notion that a developing economy should substitute the products that it imports with products created domestically. By this logic, decreasing imports and increasing exports will result in a growth in a country's national wealth.

¹⁴⁵ Levitsky 75.

loyal to the PJ party. Menem ran on a platform that aimed at accomplishing each of the promises that Alfonsín had failed to deliver. These goals included solidly rooting democratic practices at the local level of government, increasing government transparency, and providing social services and increased opportunities to the poor. As a member of the reformed post-1983 PJ, Menem was hailed as the populist leader who had come to reinstate democratic practices and equitable development.¹⁴⁶

Once in office, Menem contradicted his proposed economic platform and turned immediately to neoliberal reform as a solution to the hyperinflation that had taken hold of the Argentine economy. Economic reforms intended to liberalize the Argentine economy by deconstructing protectionist economic barriers and implementing a privatization policy were coupled with political reforms aimed at strengthening the decision-making power of the executive branch. These neoliberal reforms have been characterized by scholars as “the most rapid and far-reaching” in all of Latin America, and perhaps the world.¹⁴⁷

Remarkably, Menem was able to implement his program of neoliberal market reform without significant aberration of democratic governance. These reforms included structural adjustments that resulted in the devastation of many state-supported industries, within the context of democratic governance. Evidence of radical market oriented economic reforms occurring in a democratic state was unparalleled in Latin America. In both Chile and Mexico neoliberal economic reform was implemented under the auspices of powerful, highly centralized regimes, and in Peru economic reforms were carried-out

¹⁴⁶ See Robert N. Gwynne and Cristóbal Kay, 2004, for more information about the presidency of Juan Perón.

¹⁴⁷ Levitsky 75.

within the context of an autogolpe.¹⁴⁸ By and large, elsewhere in Latin America the process of economic liberalization was less radical and occurred at a slower pace.¹⁴⁹

Privatization in Argentina left private firms unconstrained by government oversight. As Liliana De Riz explains,

The hasty process of privatizations carried out by the new administration replaced state ownership of public services with unregulated private ownership or, in some cases, with regulatory entities whose boards included representatives of the privatized firms.¹⁵⁰

In this way, private firms were given de facto license to create monopolies, a practice that allowed corruption to run rampant. The “privatization of key sectors of production and public service provision” further deepened the need for institutional reform.¹⁵¹

Menem’s success required a concerted effort to maintain a strong yet flexible relationship between the PJ and the worker’s unions and industry organizations instrumental in his initial election campaign. Indisputably, his structural adjustment policies hurt most severely the segment of the population that he had primarily promised to help: the poor. Juan Corradi writes, “As market reforms proceeded, earlier patterns of democratic compromise and accountability established under Alfonsín gave way to unilateral decision-making under Menem.”¹⁵² As a result, individuals and organizations participating in the political system under Menem found themselves unable to effect real

¹⁴⁸ Autogolpe is the Spanish term used to describe a special form of coup d’état in which a democratically elected president deposes (or suspends) the legislature and judicial branches of government and rules as an authoritarian leader. The Peruvian autogolpe occurred in 1992, Alberto Fujimori the democratically elected president, suspended the constitution with the assistance of the armed forces citing legislative inefficiency.

¹⁴⁹ Levitsky 75.

¹⁵⁰ Liliana De Riz, “Argentina: Democracy in Turmoil,” Constructing Democratic Governance: South America in the 1990s eds. Jorge I. Domínguez, and Abraham F. Lowenthal (Baltimore, MD: Johns Hopkins University Press, 1996) 156.

¹⁵¹ De Riz 156.

¹⁵² Juan E. Corradi, “Prelude to Disaster: Weak Reform, Competitive Politics in Argentina,” Post-Stabilization Politics in Latin America: Competition, Transition, Collapse eds. Carol Wise and Riordan Roett (Washington, D.C.: Brookings Institution Press, 2003) 106.

change. In this way, Menem implemented neoliberalism in Argentina by adopting the traditions of populism and corporatism.¹⁵³ His capacity to deepen democracy in Argentina while simultaneously implementing a new economic model is a testament to the strength and political loyalty of the PJ party. As Levitsky explains,

The PJ's strong linkages to working- and lower-class society allowed it to deliver the acquiescence of many of the expected losers under neoliberal reform, which limited the availability of those sectors for antireform appeals.¹⁵⁴

PJ networks engendered the approval of lower- and middle-class popular sectors. Labor mobilization through workers unions and mass protest was almost non-existent during Menem's first term in office. One reason for the relative calm was that labor union leaders also held political posts within the PJ party network. The PJs network transcended all levels of governmental and non-governmental organizations. In this way, "Local PJ organizations [...] provided residents of lower-class neighborhoods with access to the state."¹⁵⁵ Electoral success at the legislative level of government during the first half of the 1990s further entrenched the PJ's presence as the hegemonic party in contemporary Argentine politics.¹⁵⁶

The consolidation of the PJ was also aided by the disorganization of the political far Left. The authoritarianism and repression of the Argentine Dirty War during the last military junta had effectively eliminated a whole generation of activists by disappearing

¹⁵³ Taylor 134.

¹⁵⁴ Levitsky 75.

¹⁵⁵ Levitsky 77.

¹⁵⁶ One opposition political party originating from center-right emerged during Menem's years in office as a challenge to the dominance of PJ rule. This newly formed party was called the Front for a Country in Solidarity (Frente por un País Solidario; FREPASO). FREPASO, like UCR received much of its support from the middle class. In 1997, FREPASO and UCR formed an alliance called the Alliance for Jobs, Justice, and Education. As a result, post-1997, the Argentine political system more closely resembled a two party system.

many dissidents and instilling a fear of the possibility of future revival of a militaristic regime in others.¹⁵⁷ As Pablo Pozzi explains, as a result, politically Left-leaning organizations turned to electoral politics during the second half of the 1980s in hopes of gaining legislative seats.

The combination of popular hopes for parliamentary politics and the weakness and confusion of the organized left means that most of these struggles do not come together into anything even remotely resembling a political alternative.¹⁵⁸

By integrating themselves into the electoral system, the far left abandoned its old tactics of grassroots mass mobilization supported by underrepresented constituents within society. In effort to jockey for votes, many politically left-leaning organizations diverged from their traditional poor working class base and attempted to appeal to the more populace middle class. This trend fractured the base of support of the political far left.

Although Menem brought the Argentine political system to a point of relative stability through a process of democratization (a process that Alfonsín began but failed to complete), the quality of the democracy that resulted was weak. For instance, Menem freely and liberally utilized his authority to ambiguous Decrees of Necessity and Urgency (NUDs), a privilege intended to be used in cases of national emergency, in order to circumvent the necessary legislative process to pass controversial laws. In fact, as Levitsky reports, Menem utilized 545 NUDs during the course of his 10 year presidency, as

¹⁵⁷ The Argentine Dirty War lasted from 1976 to 1983. It is termed a 'dirty war' because of the clandestine methods utilized by the government to disappear political dissidents.

¹⁵⁸ Pablo Pozzi, "Popular Upheaval and Capitalist Transformation in Argentina," Latin American Perspectives 27.5 (2005) 82.

compared to the 10 that Alfonsín used during his 6 years in office.¹⁵⁹ Menem also meddled in the justice system by sacking the existing Supreme Court members and appointing a selection of judges who would rule in his favor.¹⁶⁰ Menem's legislative majority softened during the second half of his presidency making it more difficult for him to disregard established laws and political norms. Eduardo Duhalde, the Governor of Buenos Aires, was one of the most prominent figures to openly criticize Menem's undemocratic practices. During his governorship, Duhalde led a faction of PJ representatives to block several labor liberalization efforts endorsed by Menem. With deteriorating support, Menem's attempt to run for reelection for a third term in office was decisively blocked by the Supreme Court.

During his presidency, Menem also softened his pro-justice and pro-human rights stance that had utilized in his initial presidential election campaign. Menem issued pardons to many top-ranking military officers who had been charged under Alfonsín with connections to violations of human rights during the Argentine Dirty War. Many speculate that the presidential pardons were to satisfy pressures originating from upper-level military officials.¹⁶¹

The election of Menem in 1989 on a populist platform and his subsequent adoption of neoliberal free-market policies fundamentally altered the traditional association between populism and fully government supported welfare programs and workers unions.

¹⁵⁹ Levitsky 79. (citing Ferreira Rubio and Goretti 2000: I, 4) In spite of Menem's liberal use of NUDs, the majority of his economic and political reforms (and indeed nearly all policies and proposals post-1990) were given to the legislature to debate and curtail according to competing political party demands.

¹⁶⁰ This newly appointed Supreme Court herd Menem's case to rewrite the constitution in order to permit himself to run for an additional term (twice).

¹⁶¹ Menem banned public military demonstrations and displays, drastically cut the military's budget, ended the mandatory draft, and sold off previously military owned enterprises. Each of these individual steps, coupled with the increased civilian control over the military, resulted in a virtual disappearance of the military from the sociopolitical affairs. Levitsky 68.

As a result, an ideological crisis within Argentine middle-class society ensued that left many individuals “politically confused” and led to “a breakdown of decades-old political loyalties,” Pozzi writes.¹⁶² This ideological crisis was fomented by noticeable cutbacks on government programs, Taylor explains,

Once the promised benefits of privatization failed to materialize and once the under-funding of the public health and education systems began to have lasting repercussions, public opinion shifted towards the defense of public services and into open opposition to the government’s social policy directives.¹⁶³

Once the economic restructuring program implemented by Menem between 1989 and 1995 fractured the relationship between the populous sectors and political parties and the state, Menem was compelled to pursue other means to shore up support. As Hector Schamis asserts, the constitutional reform process orchestrated by Menem stemmed from his self-serving desire to consolidate presidential discretion and strengthen his grasp on the Argentine presidency, through a consolidation of power, in preparation for reelection in December of 1995.¹⁶⁴ As a result, the popular sectors of urban poor and working class of Argentina became increasingly distrusting of political institutions. Protests and disorder in 1997, Pozzi argues, were manifestations of this distrust, suggesting that “Argentina’s democratic system has promoted the disenfranchisement and marginalization of broad sectors of the population.”¹⁶⁵

3.3.3 NGOs AND CIVIL SOCIETY IN A NEW CONTEXT:

¹⁶² Pozzi 78.

¹⁶³ Taylor 133.

¹⁶⁴ Hector E. Schamis, Re-Forming the State: The Politics of Privatization in Latin America and Europe (Michigan: The University of Michigan Press, 2002) 140.

¹⁶⁵ Pozzi 64.

Groups within civil society also faced the challenge to redefine their role within a democratic Argentina. Their strategies and tactics had been greatly influenced by (if not molded by), the military context in which they originated. Under democracy the rules of the game for organizations within civil society are entirely different. As Taylor writes, “Under democratic rule ... the surprise marches and ‘actions’ do not carry the same legitimacy.”¹⁶⁶ The 1983 plebiscite was based on democratic principles that focused on the establishment of credibility through peaceful tactics. As a result, organizations were left with two paths forward,

... either abandon action through force of numbers and pursue alternative methods such as lobbying, or risk government and public censure through engaging in illegal action.¹⁶⁷

Organizations that had previously relied on informal relationships, spontaneity, and mass participation were left without a coherent strategy for their continued existence.

Moreover, under democracy political movements and NGOs within civil society that were defined within the context of the military government were left with nothing to fight for. The human rights movement, for instance, was defined in opposition to the human rights violations that were ongoing during the late 1970s and early 1980s. In this context, human rights were identified because they were being threatened. As Taylor explains, NGOs “defined themselves in a negative sense instead of constructing an identity and a movement around a positive interpretation of their issue and role.”¹⁶⁸ This practice

¹⁶⁶ Taylor 107.

¹⁶⁷ Taylor 107.

¹⁶⁸ Taylor 109.

left organizations and movements within civil society with less direction within the new democratic political context.

3.3.4 POST-MENEM POLITICAL DISENGAGEMENT AND ECONOMIC COLLAPSE:

Menem's presidency failed to fully consolidate democracy in Argentina. While the policies that he implemented satisfied short term goals of political and economic stabilization, the lasting effects of his powerful presidency on political participation in Argentina remain consequential long into the future. The suppression of the demands of the popular sectors of Argentine society, coupled with the newly reorganized state-society relationship as a consequence of neoliberal reform, led to a shift of focus away from the traditional populous sectors for political support and increasingly towards economically powerful interest groups.¹⁶⁹ During the 16 years beginning with the inauguration of Alfonsín 1983 and ending with the close of Menem's 2nd presidential term in 1999, skepticism and disbelief in political processes mounted. As Taylor pointedly notes, "The roots of declining participation can be found in the betrayal of trust by Alfonsín and in the open trickery of Menem."¹⁷⁰ As a result, political processes in Argentina suffered from low levels of popular participation. As Taylor writes,

The widespread lack of interest in politics is related to the sense that democracy has not worked for the good of the citizen because the political

¹⁶⁹ Pozzi 79.

¹⁷⁰ Taylor 101. Here, it is pertinent to be mindful that lower levels of participation can also be resultant of increased levels of satisfaction with the status quo. This thesis does not discount the possibility that as more individuals enter the middle-class, or become otherwise accustomed to their position in society, levels of participation will decline. Instead, it is the contention of this thesis that based on other indicators and descriptive accounts, levels of dissatisfaction with the traditional political parties and political elite was the principal determinant of depressed levels of participation.

classes are corrupt, self-serving and seek only personal aggrandizement, fame, power and money.¹⁷¹

No longer did individuals envision the political parties as representative of their demands.

Instead, as Taylor explains, groups within civil society became divorced from politics.

Careerism, factional conflicts, utilization of social movements and corruption are not new phenomena and the populism and *caudillo* politics which have dominated twentieth-century Argentina have created a political grassroots which, though volatile, is largely subordinate and content to leave politics to the politicians; Argentines do not expect to be represented by their parties, they expect them to solve problems.¹⁷²

As a result, both the electorate and party members have become distanced from the political elite. Through factionalism and competition, political parties become inward-looking rather than outward-looking and attentive to the demands of the populace. Therefore, although Argentina experienced relative political stability post-1983, the quality of the democracy created, particularly at the sub-national level, was greatly compromised due to institutional weakness and the disengagement of popular sectors from the political elite.

The general elections of 1999 demonstrated the frustration of many Argentines who felt increasingly distanced from the political system. Voters supported De la Rúa and his centrist Alliance in hopes that they would bring about greater governmental transparency and cut back on the political corruption that had been part of Menem's government. The election results expressed a desire for better ethics and greater adherence to the rule of law in Argentina.¹⁷³

¹⁷¹ Taylor 101.

¹⁷² Taylor 103.

¹⁷³ Corradi 107.

The October 2001 legislative elections demonstrated a continued generalized distrust in politics amongst the electorate. This sentiment was evident by the large number of null ballots (22% of the overall vote) that were either blank or “willfully spoiled.”¹⁷⁴ Many observers cite this legislative election as the final turning point for the De la Rúa government, after which it effectively lost control of congress. During this election, half of the 257-member Chamber of Deputies and the entire 72-member Senate were replaced.¹⁷⁵ This widespread protest of De la Rúa’s government exemplified the persistent pronounced divide between the political elite and the populous sectors of Argentine society. This division, or segmentation, is one legacy of the institutionalized neoliberal market reforms implemented by Menem.

The economic situation inherited by Menem’s successors was problematic, if not destined for collapse. The 1991 Convertibility Law, which pegged the Argentine peso to the US dollar, relieved the hyperinflation that plagued the economy in 1990-91, but left the Argentine economy fiscally rigid. No longer did Argentine economic and finance ministers have the capacity to respond to different stresses and strains on the economy. When the 1997 Asian financial crisis struck countries in Southeast Asia, the Argentine felt severe economic reverberations.

De la Rúa’s last effort to halt financial collapse was to impose strict limitations on the movement of assets. Unable to revalue the currency, under De la Rúa’s government the Argentine economy fell into a 4 year depression. The economic downturn exacerbated political instability already brewing under De la Rúa’s leadership. With a Peronist majority

¹⁷⁴ Corradi 129.

¹⁷⁵ Corradi 128. The Chamber of Deputies is Argentina’s House of Representatives.

in the Senate, Peronist leaders in the most important governorships, and an Alliance majority in the Chamber of Deputies dependant on key votes from center-left FREPASO, De la Rúa's government was hobbled by political division. Mass mobilization and political protest engulfed Argentina in response to the worsening economic situation forcing the resignation of De la Rúa in December of 2001. Following De la Rúa, several interim presidents served short-lived terms in office. Finally in January of 2002, Eduardo Duhalde was chosen by congress to restore sufficient economic and political stability to hold democratic elections.

3.3.5 CONTEMPORARY POLITICAL ELITE AND THE NOT-SO DEPOLITICIZED POPULACE:

The role of the Argentine political elite has maintained relative continuity since the return to democracy; they are characteristically autocratic and easily tempted by careerism and corruption. As a result, the increasingly disillusioned popular sectors who perceive that the economic structural adjustments have still not brought about the changes that they purported to achieve, view the political elite as uninterested in serving the needs of the people. In this way, Argentine politics are delegative rather than representative; the former describing a democratic state that limits participation to elected officials, and the latter describing a democratic state that incorporates the political participation of individuals and groups from all levels of society.¹⁷⁶ The populace' acquiescence to the political elites'

¹⁷⁶ The concept of representation is highly contested among political theorists. While some argue that a delegative relationship between elected officials and the populace is inherent to the governance of a large democracy, others contend that it is inimical to democracy. Here, there is a clear division between arguments along lines of scale. Democracy theoreticians Robert Dahl, Giovanni Sartori, and others, have long used the example of Athens, Greece to describe the manner in which a democracy can function in its ideal form. Although there are imperfections in this example—women were not allowed to participate politically and the economy was built on slave labor—the apparent lesson is that democracy functions well on the small scale.

elitism has left the dominance of political parties within Argentine politics for the most part unquestioned and unchallenged. As such, contemporary Argentine politics are more intently focused on continuity than change.

Today, political participation is limited in two important ways; while the acceptable modes of political participation are decreasing, closing out strikes, mass protest, and collective action; acceptable modes of political participation, such as voting for representatives are increasingly dominated by elite deal-making. Taylor confirms these trends in political participation,

its scope of activity is becoming more constricted and those areas in which it may still rightfully interject are becoming increasingly controlled by a handful of politicians at the very top of the political parties.¹⁷⁷

This illuminates not only the need for a resurgence of participation from within civil society, but also the need for a clear redefinition of the relationship between the state and civil society.¹⁷⁸

It is important to note, in spite of undemocratic practices and government institutions in Argentina today, populous sectors are not entirely depoliticized. As Carlos H. Waisman argues, contemporary Argentine democracy is fragile not because of a lack of political participation of organized civil society (though he notes this too is deficient), but

In contrast, democracy in contemporary society is representative by necessity because of the large size of nation states, in terms of both populace and territory. The plurality of views contained within contemporary nation states proves challenging to a representative government system. Politicians elected by a plurality of the popular vote are charged with representing the views of a hugely diverse constituent. In the Argentine context, this thesis presents the argument that the unrepresentative nature of politicians goes beyond the limitations presented by Argentina's large scale. Carlos H. Waisman, "Argentina: Capitalism and Democracy," Democracy in Developing Countries: Latin America eds. Larry Diamond et al (Boulder CO: Lynne Rienner Publishers, Inc., 1999) 122. For further reading on participation and representation see Hanna Fenichel Pitkin's The Concept of Representation or John Randolph Lucas' Democracy and Participation.

¹⁷⁷ Taylor 96.

¹⁷⁸ Waisman 124.

more importantly, because of the inability of the state to effectively complete basic functions. Evidence of governmental failure is readily available,

tax evasion is rampant, corrupt judges and criminal policemen are commonplace, and ... public health, education, and welfare are well below the standards one would expect given Argentina's per capita income.¹⁷⁹

Instead, political participation in contemporary Argentina has changed forms, and now focuses on a single issue or problem. Perhaps the most prominent contemporary issue-oriented form of political participation is the human rights movement.¹⁸⁰ In this way, individuals and groups participating politically in Argentina are more autonomous and independent today than ever before. Taylor is cognizant to point out that these forward-looking changes in Argentine political participation are tempered significantly by individuals' worse starting positions, more distant from government officials and political elite.¹⁸¹ But nonetheless, continued incomplete political participation in spite of contemporary challenges to the traditionally populist nature of the Argentine society is a positive sign. Evidence of the presence of leftist political views in mainstream Argentine politics is still apparent. Votes tallied for opposition candidates in local, regional, and national elections are a form of political participation indicating an ongoing search for a political alternative to the presently dominant neoconservatism.¹⁸²

¹⁷⁹ Waisman 122.

¹⁸⁰ While initially groups within civil society overwhelmingly focused on demanding reparations for human rights abuses, today the issues of unemployment and poverty are more prominent.

¹⁸¹ Taylor 176.

¹⁸² Pozzi 85.

CHAPTER IV: COMPARATIVE ANALYSIS

4.1 THE CHILEAN AND ARGENTINE EXPERIENCES WITH DECENTRALIZATION:

With the Argentine and Chilean case studies laid out, it is now possible to embark on a comparative analysis of their experiences with decentralization. The first step in this process is identifying the particular processes of decentralization evident in each of the case studies that this thesis will engage. The historical context and principal forms of decentralization (administrative, fiscal, and political) are critical to this analysis.

The Chilean Experience with Decentralization:

In Chile, there have been two significant processes of governmental decentralization since 1980. The first wave of decentralization transpired during the early 1980s under the auspices of the Pinochet regime. Comprised of neoliberal structural reforms, this transformation was principally administrative in nature. The second period of decentralization occurred in the early 1990s, shortly following redemocratization. This second set of reforms focused on re-rooting democracy at the local level through political decentralization.

The process of decentralization in the early 1980s was predominantly comprised of reforms that delegated the provision of social welfare programs to the municipalities. The intent of these reforms was to provide public services on a cost-effective basis. With the adoption of the new provision of social services, municipalities became reoriented toward service provision instead of local governance, and the central government was relieved of

financially burdensome social welfare programs. Secondary education and health care provision were the two programs most affected by these reforms.

Fiscal decentralization in Chile during the 1980s was increased slightly by Pinochet's regime as a token effort to help municipalities cope with their expanded responsibilities. Overall, the financial resources available to municipalities climbed to 6% of the national budget.¹⁸³ Despite this advancement, the central government maintained strict regulations on the allocation of fiscal resources at the local level. Municipalities were prohibited to withdraw bank loans for development projects, did not have control over their local tax structure, and were not permitted to play a significant role in directing local level development.¹⁸⁴ Furthermore, the central government retained administrative control over interregional redistribution of financial resources.¹⁸⁵

Simultaneously, through a process of appointing politicians loyal to Pinochet and implementing strict hierarchical guidelines for government officials at the local and regional levels, Pinochet centralized administrative and political authority. Pinochet eliminated all local and regional level government officials and replaced them with appointees. To guarantee their acquiescence to the demands of the central government, Pinochet reformed the structure of regional and local governments by imposing strict accountability controls on the individuals in governmental offices. This process rapidly centralized the administrative organization of the Chilean government.

¹⁸³ Frances Stewart and Gustav Ranis, "Decentralization in Chile," UNDP Human Development Report, 1994. United Nations, 16 April 2006

<http://hdr.undp.org/docs/publications/ocational_papers/oc14.htm#P1>

¹⁸⁴ Stewart and Ranis, "Decentralization in Chile."

¹⁸⁵ The interregional allocation of resources is administered by the Common Municipal Fund (Fondo Común Municipal).

Following the return to democracy in 1990, decentralizing reforms were pursued by the Concertación in attempt to enhance the institutional strength democracy at the local level. To accomplish this goal, in 1992 the Concertación removed local level government politicians that Pinochet undemocratically appointed during his time in office, and held the first democratic elections post redemocratization. One year later, advisory councils appointed by the Pinochet regime as puppet organizations to publicly validate local constituent's support of regional development initiatives were replaced by Regional Councils. The members of Regional Councils were democratically elected within each region.¹⁸⁶ In addition to these efforts to enhance political and administrative decentralization, the Concertación attempted to reallocate a larger percent of the national budget to municipalities. In spite of these efforts, the capacity of municipalities to raise additional financial resources remains limited.¹⁸⁷

The Argentine Experience with Decentralization:

The most profound process of decentralization that has transpired in contemporary Argentine history occurred in the early 1990s. During this period, decentralization reforms transferred responsibilities and functions previously maintained by the central government, to institutions of regional government. Menem intended the decentralizing reforms to restructure the role of the state in the economy and also to reorient the relationship that existed between the state and society.

¹⁸⁶ Stewart and Ranis, "Decentralization in Chile."

¹⁸⁷ Stewart and Ranis, "Decentralization in Chile."

The decentralizing reforms during the early 1990s primarily consisted of the privatization of public companies, the deregulation of services and tax structures, and the privatization of the pension system. By decentralizing administrative responsibilities and functions without increasing the transfer of fiscal resources to regional governments, these reforms brought about greater economic efficiency for the central government.¹⁸⁸

The reasoning that Menem used to publicly justify these reforms was that the decentralization of the provision of social services “would bring the provision of services closer to those who used these services and, consequently, this would make for an improvement in the quality of the services.”¹⁸⁹ Although the government maintained this rhetoric, many scholars directly challenge this contention. As Tulia Faletti asserts,

The real reasons for decentralization lay not in the desire to increase the efficiency or quality of services, but rather in the desire to lighten the burden of federal public spending by transferring this spending to the provinces.¹⁹⁰

A sizeable increase in municipal revenues during the early 1990s, nearly doubling previous earnings, allowed the central government to claim that financial transfers to pay for the newly transferred responsibilities were unnecessary.¹⁹¹

Fiscally, Argentina is highly decentralized in terms of both spending and revenue collection. In fact, the Argentine federal system ranks amongst the most fiscally decentralized systems in the world, rivaling the United States, and only second to Brazil in

¹⁸⁸ Tulia Faletti 67.

¹⁸⁹ Tulia Faletti 68.

¹⁹⁰ Tulia Faletti 68.

¹⁹¹ This jump in levels of municipal revenue can be attributed, in part, to adjustments made in the co-participatory tax law. Co-participation refers to the sharing of financial resources generated through taxes between the central government and the municipalities. Tulia Faletti 68.

all of Latin America.¹⁹² This high level of revenue collection at the local and regional levels is not new to Argentina as a result of the decentralization reforms of the 1990s. Dating back to the beginning of the 20th century, sub-national government institutions in Argentina were already receiving in excess of 35% of the national GNP.¹⁹³ In 1973, the Law of Co-participation was approved, mandating that 48.5% of the national budget be allocated to local and regional governments.¹⁹⁴ Although this law expired 11 years later, the financial resources collected by the municipalities remained high thereafter. Since 1984, financial transfers from the central government to regional governments have been determined through a system of negotiating that transpires between governors and legislators at the national level. The increased flexibility in the funding mechanism post-1984 greatly increased clientelistic practices along party lines.¹⁹⁵ The Fiscal Pact of 1992 and the Federal Pact for Employment, Production, and Growth in 1993 both slightly limited the fiscal resources available to the regional governments.¹⁹⁶

Similar to fiscal decentralization, in the case of administrative decentralization, local and regional governments in Argentina already possessed a moderate degree of decentralization prior to the 1990s round of decentralizing reforms. The education system, for example, was governed by a system of mixed national/sub-national control. Deepening the level of administrative decentralization of the educational system, in 1991, the provision of all national secondary schools was decentralized to subnational

¹⁹² Tulia Faletti 82. For more information see William Dillinger and Steven B. Webb, "Fiscal Management in Federal Democracies: Argentina and Brazil," World Bank Policy Research Working Paper No. 2121 (Washington, DC: World Bank, 1999).

¹⁹³ As Faletti notes, by 1916 sub-national governments in Argentina were already collecting 36.7% of the national budget. Tulia Faletti 83.

¹⁹⁴ The 1973 Law of Co-Participation is otherwise known as Law No. 20.221. Tulia Faletti 83.

¹⁹⁵ The PJ was particularly notorious for extensive clientelistic practices.

¹⁹⁶ For a more in-depth discussion of these two laws see Tulia Faletti 86.

government.¹⁹⁷ Shortly thereafter, in 1992, legislative reform of the healthcare system transferred the administration of most of the national healthcare programs to regional government offices.

In comparison to the levels of fiscal and administrative decentralization maintained in Argentina, political decentralization is weak. The 1994 constitutional reform moderately enlarged the authority of the regional governors vis-à-vis the central government. In particular, the 1994 changes in the constitution granted the city of Buenos Aires greater autonomy.

Principal Forms of Decentralization

| | | |
|---------------------------------|--|----------------------------|
| Argentina (early 1990s) | Chile (1980s) | Chile (early 1990s) |
| administrative decentralization | administrative decentralization and political centralization | political decentralization |

¹⁹⁷ Interestingly, the 1991 decentralizing educational reform was pushed through the legislative process more fervently by the Ministry of Economics than the Ministry of Education. Tulia Faletti 89.

4.2 THE CONSEQUENCES FOR POLITICAL PARTICIPATION

With the various dimensions of the processes of decentralization in both Argentina and Chile explained, it is now possible to assess the consequences of decentralization. In particular, this thesis is interested in determining whether government decentralization has empowered individuals within civil society to participate more frequently and effectively. In assessing the relationship between decentralization and political participation, it is necessary to briefly revisit the definition of political participation. As outlined in Chapter One, political participation has both formal and informal dimensions. Although this thesis does not identify certain forms of political participation as more important than others, it is critical to note that the presence of both is essential to the well-being of a democracy. Because political participation is manifested in both formal and informal practices, one must be cognizant that the potential consequences of decentralization could permit or limit participation in both structural (formal) and social (informal) ways.¹⁹⁸

Consequences of Chilean Decentralization in the 1980s:

The political centralization resultant of the restructuring of leadership positions in institutions of local and regional government systematically closed the door to the formal participation of individuals at the local level. The appointment of officials to posts in local and regional government compromised both the accountability and legitimacy of institutions of local and regional government. As a result, citizens were unable to vote for

¹⁹⁸ In particular, this concern is pertinent to the case of decentralization in Chile during the 1980s, during which the principal formal forms of decentralization were structurally limited by Pinochet's authoritarian regime.

candidates that represented their interests, a fundamental pillar to formal political participation. Formal modes of political participation were also prohibited by state-led violence and repression that targeted individuals with left-leaning political beliefs.

Informal participation grew, in part, as a response to the systematic limitations put on formal modes of political participation by political centralization. The administrative decentralization of social welfare programs with limited accompanying funding also stimulated informal participation. Informal participation in this context grew out of a need for an alternative means of accessing previously available services. With a very limited amount of funding available, municipalities could not afford the expenses associated with the provision of health care, secondary education, and transit services among others. As a result, a significant number of social services were privatized, further distancing many citizens from them because of their newly exorbitant costs. Pinochet's program of administrative decentralization hurt most severely the poor and those who lived in rural areas that could not afford transportation and the other expenses associated with the privatized system. Individuals were left with no other choice but to organize collectively in order to provide for themselves. As Paley chronicles in her book *Marketing Democracy: Power and Social Movements in Post-Dictatorship Chile*, community based health care provision networks sprung-up in attempt to fill the void of social services. Even though these individuals were worse off because of decentralization, out of necessity, informal political participation grew.¹⁹⁹

¹⁹⁹ Unfortunately, while poorer sectors of the population were those most devastated by this process of decentralization, they too were the ones with the least amount of volunteer time to dedicate to community organizations to alleviate the deficiency in public services.

Consequences of Chilean Decentralization in the 1990s:

The political and administrative decentralizing reforms of the 1990s in Chile primarily affected formal participation. By eliminating the government officials in local and regional government that were undemocratically appointed by Pinochet, the Concertación was able to reopen channels of formal participation. As a result, citizens resumed expressing their preferences by voting for local and regional representatives. The process of decentralization in the early 1990s also encouraged informal political participation by publicly disempowering local and regional government officials whose continued presence after redemocratization had reinforced lingering fears of government repression.

Consequences of Argentine Decentralization in the 1990s:

The most significant aspect of the process of Argentine decentralization in the early 1990s was the administrative decentralization of social welfare services previously provided by the central government. Informal and formal participation mounted as workers united and mobilized in protest against Menem's decentralizing austerity reforms that damaged national industries. Menem's break with the working class sectors of Argentine society shocked traditional alliances between the PJ and its popular sector base. Consequentially, the Argentine citizenry remain politically active via different means than were traditionally employed. The administrative decentralizing reforms in Argentina did not have the same incapacitating effects on local level government institutions that were characteristic of the administrative decentralizing reforms in Chile, in part, because in Argentina a high level of fiscal decentralization already existed. Therefore, even though regional governments were

burdened by the new responsibility of the provision of social welfare programs they were not overcome with the increased demands.²⁰⁰

Decentralization in Argentina also took the form of political decentralization. Political decentralization increased the power of regional governors and gave citizens at the local level a modicum of increased independence from the central government. As a result, individuals were afforded an increased ability to participate politically and demand changes not directly supported by the central government.

²⁰⁰ Furthermore, as was the case in 2003, when Argentine municipalities amount large fiscal debts the central government is legally bound to repay them.

4.3 What explains the significant variance in the consequences for political participation in both cases?

As the above results demonstrate, in practice, the consequences of decentralization are far more complex and nuanced than the application of decentralization through the participatory development model suggests. Indeed, the case studies of Argentina and Chile challenge the assumption of the theoretical model that democratization will result in increased levels of participation, revealing that decentralization has both positive and negative consequences for political participation.

The inability of the participatory development model to correctly predict the influence of decentralizing reforms suggests that there must be significant variables unaccounted for within the model. Furthermore, the failure of the Chilean reforms of the early 1980s and the moderate successes of the Argentine and Chilean reforms of the early 1990s, implies that the participatory development model holds promise, though not completely perfect explanatory value. To explain this deviation, it is necessary to explore what individual factors led to the variance in outcomes. In particular, what aspects of the decentralizing reforms succeeded in bringing about greater participation, and what aspects failed?

To analyze the results of decentralization vis-à-vis the characteristics of the process of decentralization itself, this thesis uses Andrew Selee and Joseph Tulchin's three lens analysis of decentralization. According to Selee and Tulchin, the outcomes of decentralization are most clearly understood through an analysis of the motivations to decentralize, institutional arrangements, and the relationship between the state and society.

The motives of the key policy makers behind decentralizing reforms influence the type of decentralization that is implemented, and also the results that are rendered. Institutional arrangements can limit or enable institutions of subnational government to effectively address the needs of their local constituents. The relationship that exists between the state and society contextualizes the process of decentralization in wider trends and historical patterns that frame the results of decentralizing reforms.

4.3.1 MOTIVATIONS TO DECENTRALIZE:

To assess how the motivations underlying the impetus to decentralize affected the results of decentralizing reforms, one must first identify the key actors whose motives are influential. Although one could predict that based on the merits of the participatory development model, local level constituents would fervently pressure the central government to enact decentralizing reforms, decentralization in both Argentina and Chile was, by and large, directed and implemented by the central government. The decentralizing reforms of the early 1980s in Chile were implemented by the Pinochet regime, under conditions in which the political participation of groups and individuals from within civil society was strictly prohibited. Similarly, in Argentina, decentralizing reforms of the early 1990s were created and implemented under direct supervision of Menem. Although international financial institutions encouraged decentralization as a means to decrease fiscal expenditures at the level of the central government, ultimately, there is little evidence to show pressures from international financial institutions had a substantial effect on the initial decision to decentralize. As Selee and Tulchin write,

domestic political elites seized on the internationally popular idea of decentralization to accomplish their own particular ends within the context of rapid political and economic changes.²⁰¹

In fact, Pinochet's decision to adopt neoliberal structural reforms that entailed decentralizing the provision of social welfare services provided by the state, in large part, preceded the development of international fanfare for decentralizing reforms.

Consequently, the motivations that drove efforts to implement policies emphasizing decentralization originated within the central government. As Selee and Tulchin explain,

At the outset, decentralization in these countries almost always has been pursued by national elites for a mixture of reasons, including strengthening democracy, directing attention away from national demands for democracy, making government more efficient, and reducing state expenditures.²⁰²

Evidence of decentralizing reforms being pursued as a strategy to increase state fiscal efficiency is readily available. In Argentina, for example, responsibility for the provision of secondary education was decentralized to institutions of subnational government in order to alleviate the fiscally overburdened central government.

Decentralization can also be "linked to the desire of state elites to shore up their legitimacy in the eyes of citizens during processes of democratic transition."²⁰³ In this context, national political elite use decentralization as a means to legitimize the state and institutionalize democratic reforms. For example, "In Chile, political negotiations over municipal autonomy took place within the first few years of the restoration of democracy,

²⁰¹ Andrew D. Selee and Joseph S. Tulchin "Decentralization and Democratic Governance: Lessons and Challenges," Decentralization, Democratic Governance, and Civil Society in Comparative Perspective eds. Philip Oxhorn, Joseph S. Tulchin, and Andrew D. Selee (Washington, D.C.: Woodrow Wilson Center Press, 2004) 299.

²⁰² Selee and Tulchin 301.

²⁰³ Selee and Tulchin 299.

as the elected government searched for a means of extending democratic governance to the local sphere.”²⁰⁴ In sum, the implementation of decentralizing reforms is motivated principally by elites, and often elites have multiple intentions which they pursue simultaneously.²⁰⁵

4.3.2 INSTITUTIONAL ARRANGEMENTS:

The results of decentralization are also centrally affected by institutional arrangements that define the relationship between the central government and institutions of subnational government. As Selee and Tulchin explain,

Institutional arrangements determine the legal status of subnational governments, their degree of autonomy, capacity to assume particular responsibilities, channels of accountability, and resources.²⁰⁶

To the extent that decentralizing reforms reshape the relationship between both levels of government, decentralizing reforms must be analyzed. The three forms of decentralizing reforms (i.e. the dimensions that define the autonomy of subnational government), as outlined in Chapter One, are administrative, fiscal, and political.

Processes of political decentralization have brought about a “redistribution of the authority between national and subnational units and between subnational governments and citizens.”²⁰⁷ Evidence of efforts to reform existent structures of political hierarchy can be found in the redistribution of the political power and autonomy of regional

²⁰⁴ Selee and Tulchin 299.

²⁰⁵ Insofar as the motivation of leaders is the clearest origin of, and determinant of the nature of decentralization, lack of interest in decentralizing reforms can be the root of their absence. As such, it is critical to identify the underlying reasons why political elites don't push for more complete decentralization.

²⁰⁶ Selee and Tulchin 302.

²⁰⁷ Selee and Tulchin 302.

governorships as a result of the decentralizing reforms in Argentina in the early 1990s. Conversely, the politically centralizing reforms in Chile during the early 1980s limited the authority of local and regional level politicians by making them directly accountable to the central government, and by strictly limiting their financial capacities.

Political decentralization has also been used as a tool to democratize elections by increasing the level of contestation over positions in local and regional government. This is achieved by dismantling residual enclaves of authoritarianism and deconstructing the unfair domination of particular political parties at the local level. For instance, decentralizing reforms in Chile during the early 1990s “helped ensure competitive elections in all local governments.”²⁰⁸ This was achieved through a process of reforming the municipal election process such that all politicians were elected through popular vote.

Both administrative and fiscal dimensions of decentralization have given “subnational governments additional functions and resources in recent years, making them much more relevant actors in the policymaking process.”²⁰⁹ Administrative decentralization in both Argentina (1990s) and Chile (1980s) resulted in an increase in the managerial and organizational power of institutions of local and regional government, thereby permitting increased direction over the allocation of resources and programs for the benefit of local and regional constituents. Even though in Chile the overall amount of fiscal resources allocated to institutions of local government has remained severely low, the small increase in transfer payments from the central government during the 1980s aided their ability to provide the social services to their constituents. In Argentina, the process of

²⁰⁸ Selee and Tulchin 303.

²⁰⁹ Selee and Tulchin 303.

administrative decentralization of services of social welfare increased the burden on institutions of regional governments, the preexisting high levels of fiscal decentralization allowed the municipalities to absorb these new responsibilities without significant difficulty.

Within the context of institutional arrangements, it is also pertinent to note that measuring the depth of administrative, fiscal, and political decentralizing reforms is critical to explaining the variance in a comparative analysis of the results of decentralization. For instance, while the processes of decentralization in Argentina and Chile in the 1990s both entailed measures of political decentralization, the depth of political decentralization reforms in each country was remarkably different. The depth of decentralizing reforms is defined in accordance with the level of autonomy transferred to institutions of local government from the central government. Analysts of governmental decentralization use a scale that describes three different levels of authority and responsibility afforded to local government institutions to describe this relationship.

Deconcentration, the first level of governmental decentralization, describes the “dispersion of activities previously carried out by the central government to local bodies.”²¹⁰ Within this level of decentralization, the central government retains principal authority over decision making, thereby holding local government accountable for their actions. The second level of governmental decentralization is delegation. Different than deconcentration, delegation is “the transfer of decision-making authority from the central administration to local authorities for pre-defined activities.”²¹¹ The third and most profound level of decentralization described by scholars in the field is devolution.

²¹⁰ Habibi 4.

²¹¹ Habibi 5.

Devolution is the complete “transfer of significant fiscal and allocative decisions to local authorities who gain full responsibility for them, with no interference from the central administration.”²¹²

While analysis of the process of Argentine decentralization during the early 1990s reveals a fluctuation between delegation and devolution, analysis of both processes of Chilean decentralization (early 1980s and early 1990s) reveals a focus on deconcentration and delegation. Preceding decentralization in Argentina in the 1990s, the structure of the Argentine federal state was highly decentralized (at the delegation stage). In contrast, the structure of the Chilean unitary state prior to the 1980s process of decentralization was highly centralized.

4.3.3 STATE-SOCIETY RELATIONS:

The relationship between the state and society both before and after the process of decentralization also plays a significant role in defining the outcomes of decentralizing reforms. As Selee and Tulin write,

Only by understanding the historical patterns of state—society relations across regions and localities can we understand the ways that decentralization alters power relationships among local and regional actors.²¹³

In this way, the context of decentralization is of central significance to the outcome of decentralizing reforms.

In the case of Argentina, traditional state-society relations are characterized by populism and strong political party networks. The clash between traditional populist

²¹² Habibi 5.

²¹³ Selee and Tulchin 296-7.

values and the process of decentralization and restructuring of state institutions has had a strong effect on contemporary state-society relations and opportunities for political participation. Since the beginning of Menem's presidency in 1989, traditional forms of political participation practiced by popular sectors of Argentine society have encountered strong challenges from the neo-conservative political right-wing.²¹⁴ As a result of the administrative decentralization reforms during the 1990s, popular sectors took to the streets in protest. The persistence of political participation affirms the continuance of traditional populist oriented state-society relations in Argentina. The loyalty of lower- and middle-class sectors of society to the PJ, evident by the party's dominant role in Argentine politics today, also suggests political party networks remain strong.

In Chile, the most dominant trend in state-society relations is the popular sectors disenchantment with the political elite. This popular perception of the relationship between individuals within civil society and politicians within the central government originates, in part, from the experience of authoritarian rule. After the transition to democracy, elite maneuvering and coalition building reaffirmed citizens' belief that politicians don't represent their demands. Consequentially, political participation in Chile remains subdued, and the presence of political parties and their local level networks is notably restricted.

²¹⁴ Taylor 176.

CHAPTER V: CONCLUSION

In conclusion, it is important to revisit the starting points from which this analysis departed. First, *what is the difference between the theoretical and practical value of decentralization?* And second, *what is the nature of the relationship that exists between decentralization and political participation?* At the outset, in contestation of these two questions, it is important to make note of several important themes. In the study of both governmental decentralization and political participation there are limitations not obvious prior to the application of empirical analysis. The intricacies of both phenomena in practice necessitate the avoidance of sweeping generalizations and reliance on paradoxes. Neither analyzing the results of decentralization on a scale ranging from positive to negative, nor measuring the effects on political participation in terms of increases and decreases, adequately engages the underlying dynamics of both highly nuanced processes. Although this thesis does not generate absolute conclusions, through the analysis of the Argentine and Chilean cases, a number of lessons significant to the processes of decentralization and political participation have been uncovered.

5.1 What is the difference between the theoretical and practical value of decentralization?

In order to assess the difference between the theoretical and practical value of decentralization, it is useful to revisit the theoretical basis of governmental decentralization, with the evidence revealed by the two case studies in mind. Embedded in the theoretical basis of governmental decentralization are several assumptions that are not present in empirical analysis. One unstated presumption of the theoretical model of decentralization is that the motivation of the central government to decentralize is predicated on democratic ideals. The tension between the pursuits of governmental efficacy and fiscal efficiency at the local level uncovers a fundamental challenge to this initial assumption: increasing the quality of democratic governance is not necessarily the principal motivation of the central government. The means necessary to achieve both governmental efficacy and fiscal efficiency can impede the successful promotion of each other. Bardhan elucidates this point of contention by writing,

When a major goal of decentralization in developing countries is to effectively reach out to the poor (or to diffuse unrest among disadvantaged minority groups), often in remote backward areas, targeting success in poverty alleviation programs is a more important performance criterion than the efficiency of interregional resource allocation.²¹⁵

While governmental efficacy, as an assessment of the democratic performance of governmental institutions, is measured in terms of the well-being of the individuals that the government is intending to serve, fiscal efficiency is measured in terms of dollars and

²¹⁵ Bardhan 188.

cents.²¹⁶ For example, effectively reaching out to lower-level socioeconomic groups with the goal of incorporating their desires and demands may require a large financial investment by the state in order to set up basic institutional structures not already present.²¹⁷

A second assumption that is critical to the success of the theoretical model of decentralization is that local level elites and political party networks will not exploit the increased authority of local government to disproportionately assert their particular preferences. The higher potential for institutions of local level government to be influenced by corruption and exploitation by powerful local level political elites, in part, because of its close proximity, poses direct challenge to this second premise. In underdeveloped and rural regions where government institutions lack sufficient strength, this concern is especially significant.²¹⁸ Similarly in regions lacking structural enablers for political participation, individuals' capacity to hold government officials accountable to their demands is weak. As a result, local level government institutions are more easily influenced by interest groups and political party networks.²¹⁹

A third presumption of the theoretical model of decentralization is that decentralization will foster greater interregional equity through improved assessment of regional necessities. The contradiction that arises to limit the potential for increased

²¹⁶ This definition of governmental efficacy assumes that a truly democratic state will perfectly attend to the needs of its citizens thereby guaranteeing every individual citizens well-being.

²¹⁷ Such institutional structures include basic public services and local level institutions that are necessary to provide individuals a foundation from which to effectively posit their demands. This is particularly pertinent when addressing the needs of individuals in extreme poverty.

²¹⁸ As Bardhan asserts, "While local governments may have better local information and accountability pressure, they may be more vulnerable to capture by local elites, who will then receive a disproportionate share of spending on public goods." Bardhan 192.

²¹⁹ Accordingly, it can not be assumed that fiscal transfers from the central government to local and regional governmental institutions always reach their intended beneficiaries completely intact.

interregional equity is that the act of interregional transfer of financial resources is convoluted by the decentralization of a states financing mechanism. Fewer interregional financial transfers cause poor regions with small tax-bases to have limited financial resources for the provision of social services.²²⁰ The complexity of interregional transfers challenges the assumption that decentralization will result in greater interregional equity.

The central government's commitment to enhancing participation, the local level elite's respect for democratic ideals, and the interregional commitment to financial transfer are all essential prerequisites to the positive results predicted by the theoretical model of decentralization (as explained in Chapter One). Consequently, the value of decentralization in practice deviates from the value of decentralization in theory insofar as it fails to conform to the assumptions underlying the theoretical model of decentralization.

²²⁰ Bardhan 189.

5.2 What is the nature of the relationship between decentralization and political participation?

Application of empirical analysis also lends us a critical view into the nature of the relationship between decentralization and political participation. While decentralization is a key component of participatory development initiatives aimed at breaking down institutional and structural barriers to participation, simply having channels of political participation available does not guarantee their use. In this way, the nature of the relationship between decentralization and political participation is centrally dependent on the nature of the individual citizen, their needs and expectations, and in particular, their desire to participate. Therefore, it is critical to define the effect that decentralization has had on the nature of the citizen before drawing conclusions concerning its relationship to political participation.

By localizing decision making and the provision of social services, decentralization promotes individualism and deconstructs shared bonds of group identity. These conditions are reinforced by the concurrent trends of political democratization and economic liberalization, emphasizing individual rights and responsibilities, and de-emphasizing the notion of a collective political community. Decentralization of the provision of social welfare services increases the distance between the central government and individuals at the local level. The resultant transformation of the state-society relationship renders a new allocation of responsibility between the two actors. As Taylor writes,

Responsibility is thus shared between the state, which has a duty to encourage development, and the citizen, who has a responsibility to develop.²²¹

Through the process of decentralization, the state takes on the roles of facilitator and organizer, rather than care-giver concerned with the welfare of the individual. Through a dialectic process, citizens' expectations of the state are transformed as well. No longer do individuals and groups within civil society demand high levels of responsiveness of the state as they once did. In this context, decentralization reforms have had an atomizing affect on groups and individuals within civil society because they provide a disincentive to seeking personal benefit by means of collective action through an 'everyone for themselves' mentality.

Implicit in this new conception of the citizen is the notion that each individual succeeds or fails as a direct result of the merit of their own actions. Accordingly, an individual's success is resultant of their hard work, and an individual's failure is the direct result of their indolence. As Taylor explains,

Inherent within this is the notion that everyone has the same ability [to] develop, that poverty stems from lack of initiative and that the structures of economy, gender and race do not have a bearing on development; rights equal on paper are equal in practice.²²²

This mentality influences individuals' perceptions of their own role within political processes, and has consequences for individuals' willingness to participate politically. For example, instead of demanding the accountability of local level government officials by participating in local level government, individuals become less inclined to engage in activities that challenge the underlying norms of the system. This logic asserts that the

²²¹ Taylor 168.

²²² Taylor 168.

“solution to economic hardship lies not in challenging the rules of the economic game through political activism, but in working harder or more cleverly.”²²³

In sum, the nature of the relationship between decentralization and political participation is significantly affected by the transformation of the role of the citizen in state-society relations as a result of the process of decentralization. In practice, the frequency and variance in forms of political participation is suppressed by decentralization. The promise of increased political participation described by participatory development initiatives is misleading, by and large, because of its overly simplistic perception of the individual citizen.

²²³ Taylor 95.

5.3 THE CHALLENGE THAT PERSISTS

As this thesis demonstrates, the relationship between decentralization and political participation is extremely complex. The underlying objectives of actors central to decentralization reforms are a critical component of this relationship. As such, in the final analysis, increased political participation does not seem to be the actual intention behind decentralization, even though it is strongly encouraged by development scholars and democracy theorists.

Ultimately, a small amount of progress has been made in Chile and Argentina. At the forefront of change are efforts of political elites and groups within civil society to construct democratic political participation by opening up new political spaces for the growth of civil society. An example of those efforts, as pointed out by Selee and Tulchin, is the growth in strength and prominence of “participatory instruments,” such as the municipal planning boards, in Chile, that are composed of local constituents.²²⁴ The capacity of these actors to reform state-society relations is “one of the innovative outcomes of decentralization,” contend Selee and Tulchin. Their potential to enhance democratic governance warrants further investigation.²²⁵

The challenge that lies ahead is to continue to “take advantage of the spaces [for political participation] that decentralization opens up,” and to redefine the role of the individual citizen within this context to demand higher levels of government accountability.²²⁶ Participatory development initiatives must rely, at a minimum, on

²²⁴ Selee and Tulchin 309.

²²⁵ Selee and Tulchin 309.

²²⁶ Oxfhorn “Unraveling the Puzzle,” 4.

“synergy among local government, civil society organizations, the private sector, and local leadership,” in order to bring about increased political participation.²²⁷ Without the agreement of all actors central to the process of decentralization, the positive returns of decentralization are highly mitigated. Although this thesis adds to the literature that analyzes the consequences of decentralization, the task remains to further explore the factors that encourage and limit political participation through the process of decentralization, a charge that has far-reaching implications for the quality of democracy.

²²⁷ Selee and Tulchin 310.

APPENDIX A

1989 CHILEAN PRESIDENTIAL ELECTION RESULTS

| Candidates | Parties | Men | Women | Total | Percent (%) | Result |
|------------------------------|-------------|-----------|-----------|-----------|-------------|-----------|
| Hernan Buchi Buc | Independent | 870,476 | 1,181,499 | 2,051,975 | 29.40 | |
| Francisco Errazuriz Talavera | Independent | 500,462 | 576,432 | 1,076,894 | 15.43 | |
| Patricio Aylwin Azocar | PDC | 1,976,043 | 1,873,980 | 3,850,023 | 55.17 | President |
| Total Valid Ballots | | 3,346,981 | 3,631,911 | 6,978,892 | 100.00 | |
| Total Null Ballots | | 37,884 | 37,338 | 75,222 | 1.05 | |
| Total Blank Ballots | | 42,933 | 60,678 | 103,611 | 1.45 | |
| Entire Country | | 3,427,798 | 3,729,927 | 7,157,725 | 100.00 | |

Source: Tribunal Calificador de Elecciones de Chile²²⁸

²²⁸ “Resultados Electorales,” [Tribunal Calificador de Elecciones de Chile](http://www.tribunalcalificador.cl/tipos-eleccion.php), 20 Mar. 2006 <<http://www.tribunalcalificador.cl/tipos-eleccion.php>>.

APPENDIX B

VOTER ABSTENTION IN CHILEAN PRESIDENTIAL ELECTIONS

1989 Presidential Elections²²⁹

| <u>Region</u> | <u>Male Abstention</u> | <u>Female Abstention</u> | <u>Total Abstention</u> | <u>% Abstention</u> |
|---------------------|------------------------|--------------------------|-------------------------|---------------------|
| Region I | 10,911 | 6,472 | 17,383 | 9.25 |
| Region II | 10,825 | 7,297 | 18,122 | 7.79 |
| Region III | 5,605 | 3,405 | 9,010 | 7.29 |
| Region IV | 8,573 | 6,041 | 14,614 | 5.42 |
| Region V | 25,273 | 17,518 | 42,791 | 5.23 |
| Region VI | 9,133 | 5,359 | 14,492 | 3.69 |
| Region VII | 12,887 | 8,280 | 21,167 | 4.45 |
| Region VIII | 29,147 | 20,058 | 49,205 | 5.06 |
| Region IX | 16,427 | 12,682 | 29,109 | 6.65 |
| Region X | 21,698 | 14,188 | 35,886 | 6.85 |
| Region XI | 4,129 | 1,947 | 6,076 | 13.95 |
| Region XII | 8,159 | 3,864 | 12,023 | 12.72 |
| Metropolitan Region | 74,754 | 55,989 | 130,743 | 4.38 |
| National Total | 237,521 | 163,100 | 400,621 | 5.30 |

1993 Presidential Elections

| <u>Region</u> | <u>Male Abstention</u> | <u>Female Abstention</u> | <u>Total Abstention</u> | <u>% Abstention</u> |
|---------------------|------------------------|--------------------------|-------------------------|---------------------|
| Region I | 16,737 | 10,835 | 27,572 | 13.50 |
| Region II | 18,333 | 12,710 | 31,043 | 12.52 |
| Region III | 9,628 | 6,344 | 15,972 | 11.74 |
| Region IV | 14,811 | 11,169 | 25,980 | 8.81 |
| Region V | 38,166 | 33,639 | 71,805 | 8.10 |
| Region VI | 14,070 | 10,623 | 24,693 | 5.76 |
| Region VII | 23,720 | 18,825 | 42,545 | 8.30 |
| Region VIII | 52,028 | 41,563 | 93,591 | 8.91 |
| Region IX | 29,832 | 25,382 | 55,214 | 11.60 |
| Region X | 36,858 | 29,081 | 65,939 | 11.47 |
| Region XI | 5,500 | 2,773 | 8,273 | 16.64 |
| Region XII | 10,352 | 5,446 | 15,798 | 16.41 |
| Metropolitan Region | 115,006 | 108,722 | 223,728 | 7.16 |
| National Total | 385,041 | 317,112 | 702,153 | 8.69 |

²²⁹ “Resultados Electorales,” Tribunal Calificador de Elecciones de Chile, 20 Mar. 2006 <<http://www.tribunalcalificador.cl/resultado.php>>.

1999 Presidential Elections (1st Round Vote)

| <u>Region</u> | <u>Male Abstention</u> | <u>Female Abstention</u> | <u>Total Abstention</u> | <u>% Abstention</u> |
|---------------------|------------------------|--------------------------|-------------------------|---------------------|
| Region I | 24,921 | 13,449 | 38,370 | 17.73 |
| Region II | 21,594 | 15,391 | 36,985 | 15.22 |
| Region III | 12,146 | 8,218 | 20,364 | 15.10 |
| Region IV | 17,544 | 13,083 | 30,627 | 10.13 |
| Region V | 43,646 | 39,844 | 83,490 | 9.37 |
| Region VI | 16,884 | 13,414 | 30,298 | 6.97 |
| Region VII | 26,020 | 21,367 | 47,387 | 9.26 |
| Region VIII | 59,914 | 50,557 | 110,471 | 10.51 |
| Region IX | 37,358 | 30,413 | 67,771 | 14.15 |
| Region X | 42,140 | 33,904 | 76,044 | 13.08 |
| Region XI | 8,670 | 3,655 | 12,325 | 22.74 |
| Region XII | 15,946 | 6,861 | 22,807 | 22.95 |
| Metropolitan Region | 118,599 | 117,366 | 235,965 | 7.65 |
| National Total | 445,382 | 367,522 | 812,904 | 10.06 |

2000 Presidential Elections (Run-off Vote)

| <u>Region</u> | <u>Male Abstention</u> | <u>Female Abstention</u> | <u>Total Abstention</u> | <u>% Abstention</u> |
|---------------------|------------------------|--------------------------|-------------------------|---------------------|
| Region I | 24,278 | 13,854 | 38,132 | 17.62 |
| Region II | 21,503 | 16,643 | 38,146 | 15.69 |
| Region III | 11,282 | 7,865 | 19,147 | 14.20 |
| Region IV | 15,906 | 11,725 | 27,631 | 9.14 |
| Region V | 40,559 | 37,183 | 77,742 | 8.72 |
| Region VI | 15,280 | 12,143 | 27,423 | 6.31 |
| Region VII | 22,668 | 18,316 | 40,984 | 8.01 |
| Region VIII | 53,412 | 44,567 | 97,979 | 9.32 |
| Region IX | 32,131 | 25,912 | 58,043 | 12.12 |
| Region X | 37,223 | 29,772 | 66,995 | 11.52 |
| Region XI | 8,390 | 3,766 | 12,156 | 22.42 |
| Region XII | 15,949 | 8,219 | 24,168 | 24.31 |
| Metropolitan Region | 112,015 | 117,162 | 229,177 | 7.43 |
| National Total | 410,596 | 347,127 | 757,723 | 9.37 |

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