

TABLE OF CONTENTS

<u>LIST OF TABLES</u>	<u>VI</u>
<u>LIST OF FIGURES</u>	<u>VII</u>
<u>LIST OF MAPS.....</u>	<u>VII</u>
<u>LIST OF PHOTOS</u>	<u>VIII</u>
<u>ACKNOWLEDGMENTS</u>	<u>IX</u>
<u>ACCRONYMS AND ABBREVIATIONS.....</u>	<u>X</u>
<u>CHAPTER 1: INTRODUCTION.....</u>	<u>1</u>
1.1 BACKGROUND AND RELEVANCE OF THE STUDY	1
1.2 OBJECTIVE AND MAIN DEFINITIONS.....	5
1.3 RESEARCH QUESTIONS AND ASSUMPTIONS.....	5
1.4 THE STUDY AREA: HIGH AND LOW DIFFERENTIATED MUNICIPALITIES.....	7
1.4.1 SOCIO-CULTURAL DIVERSITY	9
1.4.2 SOCIO-ECONOMIC DIVERSITY	13
1.4.3 POLITICAL PARTY PREFERENCES	16
1.5 METHODOLOGICAL APPROACHES: THE ACTOR ORIENTED APPROACH AND HISTORICAL ANALYSIS	18
1.5.1 THE ACTOR ORIENTED APPROACH	18
1.5.2 HISTORICAL ANALYSIS.....	19
1.6 DATA COLLECTION AND ANALYSIS	20
1.7 OUTLINE OF THE STUDY	25
<u>CHAPTER 2: POPULAR PARTICIPATION, DECENTRALISATION, AND POWER</u>	<u>26</u>
2.1 THE DEBATES ON POPULAR PARTICIPATION AND DECENTRALISATION	27

2.1.1 THE DRIVING FORCES OF DECENTRALISATION AND POPULAR PARTICIPATION:	
EMPOWERMENT AND INSTRUMENTALISATION	28
2.1.2 GLOBALISATION AND LOCALISATION.....	30
2.1.3 RE-CENTRALISE OR DECENTRALISE THE STATE?	33
2.1.4 IS DECENTRALISATION NECESSARY FOR DEVELOPMENT?.....	35
2.1.5 THE UNINTENDED EFFECTS: WIDENING LOCAL DIFFERENCES	38
2.2 SOCIAL DIFFERENTIATION, POWER, AND PARTICIPATION.....	40
2.2.1 SOCIAL DIFFERENTIATION AND POWER	40
2.2.2 WHO PARTICIPATES AND WHY?.....	42
2.3 SOCIAL DIFFERENTIATION AND PATTERNS OF POWER CONCENTRATION IN LATIN AMERICA	43
2.3.1 PATHS OF SOCIAL DIFFERENTIATION	44
2.3.2 PATTERNS OF POWER CONCENTRATION: CORPORATISM, CLIENTELISM AND PATRIMONIALISM	49
2.3.3 OVERCOMING UNDEMOCRATIC PRACTICES: CONTROL FROM BELOW	52
2.4 SUMMARY OF THE CHAPTER	54

CHAPTER 3: FRAMEWORK OF THE DECENTRALISATION PROCESS IN BOLIVIA

3.1 HISTORICAL BACKGROUND.....	55
3.1.1 THE HACIENDA SYSTEM AND THE MINING EXPLOITATIONS	55
3.1.2 CHANGES IN POWER STRUCTURES: THE CHACO WAR (1932 – 1935) AND THE NATIONAL REVOLUTION (1952)	56
3.1.3 THE AGRARIAN REFORM OF 1953 AND THE INRA LAW OF 1996.....	57
3.1.4 THE CONSOLIDATION OF THE CENTRALIST STATE.....	59
3.2 ABOUT BOLIVIAN SOCIO-POLITICAL ORGANISATIONS	61
3.2.1 RURAL SOCIAL ORGANISATIONS.....	62
3.2.2 OTHER SOCIAL ORGANISATIONS.....	64
3.2.3 POLITICAL PARTIES	65
3.3 THE BOLIVIAN POPULAR PARTICIPATION LAW	67
3.3.1 PEOPLES’ PARTICIPATION IN LOCAL DEVELOPMENT	68
3.3.2 RURAL-URBAN MUNICIPALITIES IN BOLIVIA	71
3.3.3 THE REFORM OF THE PUBLIC EXPENDITURE.....	72
3.3.4 POLITICAL SYSTEM CLOSER TO THE PEOPLE: LOCAL ELECTIONS AND MUNICIPAL GOVERNMENTS.....	73
3.4 THE LAW OF ADMINISTRATIVE DECENTRALISATION (LDA).....	76
3.5 DEEPENING THE PROCESS: THE LAW OF THE NATIONAL DIALOGUE 2000 (LND). 	77
3.6 THE ROLE OF THE INTERNATIONAL COOPERATION AND NON-GOVERNMENTAL ORGANISATIONS.....	79
3.6.1 THE INTERNATIONAL COMMUNITY	79
3.6.2 NON-GOVERNMENTAL ORGANISATIONS	81
3.7 THE CURRENT SOCIO-POLITICAL CONTEXT	82
3.7.1 THE DECENTRALISATION PROCESS	82
3.7.2 CHANGES IN THE POLITICAL SYSTEM	85
3.8 SUMMARY OF THE CHAPTER	86

**CHAPTER 4: HIGH SOCIO-POLITICALLY DIFFERENTIATED
MUNICIPALITIES** **88**

4.1 GENERAL CHARACTERISTICS.....	88
4.1.1 LOCATION AND CLIMATE	88
4.1.2 POPULATION, POVERTY, AND MIGRATION.....	89
4.1.3 ECONOMIC ACTIVITIES	91
4.2 HISTORICAL BACKGROUND.....	93
4.2.1 NATIVE PEOPLE AND THE HACIENDA SYSTEM.....	93
4.2.2 THE AGRARIAN REFORM.....	95
4.2.3 THE INSTRUMENTALISATION OF DEVELOPMENT PROJECTS: THE DEVELOPMENT CORPORATION OF CHUQUISACA AND THE COOPERATIVES	97
4.2.4 DECLINE OF HACENDADOS' POWER AND THE STRENGHTENING OF LOCAL CACIQUES	100
4.3. LOCAL POWER STRUCTURES PRIOR TO THE IMPLEMENTATION OF THE DECENTRALISATION POLICIES	102
4.4 THE LAW OF POPULAR PARTICIPATION: THE MUNICIPAL GOVERNMENT AT THE CENTRE OF LOCAL POWER	105
4.4.1 THE COMPOSITION OF THE MUNICIPAL GOVERNMENT	106
4.4.2 THE MUNICIPAL GOVERNMENT AND THE POLITICAL PARTIES	110
4.5 THE LAW OF POPULAR PARTICIPATION AND THE GUARANÍ PEOPLE	114
4.6 THE LAW OF POPULAR PARTICIPATION AND THE INDIGENOUS COLLA PEASANTS.	116
4.7 THE VIGILANCE COMMITTEE (VC) AS AN INSTRUMENT OF POWER	119
4.8 THE RE-CONFIGURATION OF POWER RELATIONS.....	122
4.8.1 THE LOCAL ADAPTATION OF THE POPULAR PARTICIPATION LAW.....	122
4.8.2 THE BALANCE OF POWER AFTER NINE YEARS OF DECENTRALISATION	128
4.9 SUMMARY OF THE CHAPTER	129

**CHAPTER 5: LOW SOCIO-POLITICALLY DIFFERENTIATED
MUNICIPALITIES** **131**

5.1 GENERAL CHARACTERISTICS.....	131
5.1.1 LOCATION AND CLIMATE	131
5.1.2 POPULATION, POVERTY, AND MIGRATION.....	132
5.1.3 ECONOMIC ACTIVITIES	134
5.2 HISTORICAL BACKGROUND.....	136
5.2.1 NATIVE PEOPLE AND THE HACIENDA SYSTEM.....	136
5.2.2 THE AGRARIAN REFORM.....	137
5.2.3 THE INSTRUMENTALISATION OF DEVELOPMENT PROJECTS: THE DEVELOPMENT CORPORATION OF CHUQUISACA AND THE COOPERATIVES	139
5.3 LOCAL POWER STRUCTURES PRIOR TO THE IMPLEMENTATION OF THE DECENTRALISATION POLICIES	141
5.4 THE LAW OF POPULAR PARTICIPATION: THE MUNICIPAL GOVERNMENT AT THE CENTRE OF LOCAL POWER	144
5.4.1 THE COMPOSITION OF THE MUNICIPAL GOVERNMENT	144
5.4.2 THE MUNICIPAL GOVERNMENT AND THE POLITICAL PARTIES	148

5.5 THE LAW OF POPULAR PARTICIPATION AND THE QUECHUA POPULATION	150
5.6 THE VIGILANCE COMMITTEE (VC) AS AN INSTRUMENT OF POWER.....	153
5.7 THE RE-CONFIGURATION OF POWER RELATIONS.....	154
5.7.1 THE LOCAL ADAPTATION OF THE POPULAR PARTICIPATION LAW.....	155
5.7.2 THE BALANCE OF POWER AFTER NINE YEARS OF DECENTRALISATION	157
5.8 SUMMARY OF THE CHAPTER	160
 CHAPTER 6: A COMPARATIVE ANALYSIS OF CHANGES IN POWER RELATIONS BETWEEN HIGH AND LOW DIFFERENTIATED MUNICIPALITIES	162
 6.1 LOCAL POWER STRUCTURES.....	162
6.2 POLITICAL REPRESENTATION	166
6.2.1 THE NEW LOCAL REPRESENTATIVES	167
6.2.2 CHARACTERISTICS OF GOOD CANDIDATES	170
6.2.3 WOMENS' REPRESENTATION.....	171
6.2.4 CONCLUSIONS OF THE SECTION	172
6.3 INFLUENCE OVER LOCAL DECISIONS AND THE PARTICIPATIVE PLANNING PROCESS	174
6.3.1 PARTICIPATION IN THE MUNICIPAL DIAGNOSIS AND FORMULATION OF THE FIVE-YEAR PLAN	174
6.3.2 PARTICIPATION IN THE FORMULATION OF THE ANNUAL OPERATIVE PLAN (POA)..	176
6.3.3 DIFFERENCES OF INFLUENCE OVER THE PARTICIPATORY PLANNING PROCESS	178
6.3.4 DIFFERENT APPROACHES: POPULAR PARTICIPATION VS. STRATEGIC PLANNING	181
6.3.5 CONCLUSION OF THE SECTION.....	183
6.4 MECHANISMS OF CONTROL.....	184
6.4.1. CONTROL EXERTED BY THE VIGILANCE COMMITTEES	184
6.4.2 CONTROL EXERTED BY TERRITORIAL BASED ORGANISATIONS (TBOs)	185
6.4.3 CONTROL BASED ON POLITICAL PARTY COMPETITION	187
6.4.4 CONCLUSIONS OF THE SECTION	187
6.5 THE CASE OF OTHER MUNICIPALITIES.....	188
6.5.1 THE HIGH DIFFERENTIATED MUNICIPALITIES	188
6.5.2 THE LOW DIFFERENTIATED MUNICIPALITIES	192
6.5.3 HIGH AND LOW DIFFERENTIATED MUNICIPALITIES	193
6.6 MAIN THREATS TO A PARTICIPATORY DECENTRALISATION PROCESS.....	194
6.6.1 UNDEMOCRATIC PRACTICES OF POLITICAL PARTIES	195
6.6.2 UNFULFILLED DEMANDS	199
6.6.3 POVERTY AND LACK OF INCOME GENERATING PROJECTS	200
6.6.4 CONCLUSION OF THE SECTION.....	202
6.7 SUMMARY OF THE CHAPTER	203
 CHAPTER 7: CONCLUSIONS	208
 7.1 THE MAIN ASSUMPTION.....	208
7.1.1 HISTORICAL EVENTS IN THE FORMATION OF LOCAL SOCIO-POLITICAL STRUCTURES	208

7.1.2 MECHANISMS OF POWER COOPTATION	210
7.2 LOCAL POWERFUL GROUPS.....	213
7.3 EFFICIENCY VS. PARTICIPATION.....	216
7.4 THREATS TO THE LEGITIMACY OF POPULAR PARTICIPATION AND DECENTRALISATION	218
7.5 POLICY IMPLICATIONS	220
 REFERENCES.....	 223
 ANNEXES FOR CHAPTER 1	 235
 ANNEXES FOR CHAPTER 3	 239
 ANNEXES FOR CHAPTER 4	 242
 ANNEXES FOR CHAPTER 5	 244
 ANNEXES FOR CHAPTER 6	 245