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This graph is similar to figure 3 but is rendered here in color and includes more sectors in each time period. Expand the graph to full-screen size in color and you can easily see the patterns analyzed in the text. This graph supports the argument in chapter 1 about organizational learning by Bolivian municipalities: early investments in relatively less complicated education and urban development projects helped build contracting and managerial capacity, allowing municipalities to take on more complicated investments (e.g., health, water, and sanitation) in later years.

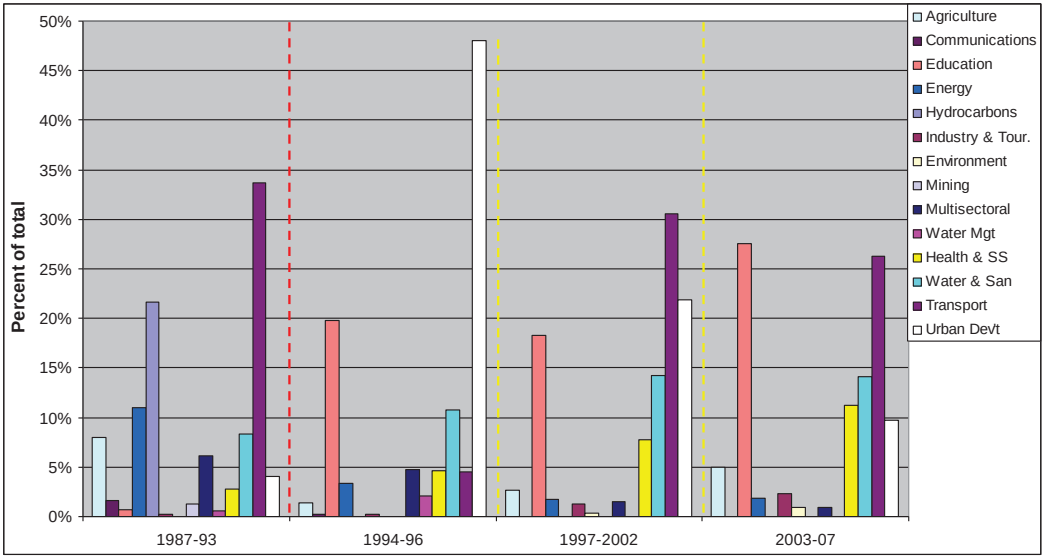

Fig. 3. Public investment by sector and period, 1987–2007 (expanded color version). Author's calculations. (Data from Ministry of Finance, Vice Ministry of Popular Participation, and Vice Ministry of Public Investment and External Finance.) This graph is similar to figure 3 but is rendered here in color and includes more sectors in each time period. Expand the graph to full-screen size in color and you can easily see the patterns analyzed in the text. This graph supports the argument in chapter 1 about organizational learning by Bolivian municipalities: early investments in relatively less complicated education and urban development projects helped build contracting and managerial capacity, allowing municipalities to take on more complicated investments (e.g., health, water, and sanitation) in later years.

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BONUS WEB CHAPTER

The Micropolitical Foundations of Government in Seven Bolivian Municipalities

Chapter 6 of *Decentralization and Popular Democracy* generalized from the experiences of Viacha and Charagua to build a theoretical model in which local government performance is driven by key factors in the local economy, politics, and society. I described first a structural framework that integrates a number of well-established ideas about elections and lobbying with more recent insights about civic organizations and social linkages. I then placed the economic interests, political actors, and civic organizations at the heart of this approach in a dynamic context to analyze how these actors interact over time to produce public decision making that is responsive and accountable to voters, or not.

The book mentions at various points that this theory is based on the experiences of not only Viacha and Charagua, but seven other municipalities as well. This chapter analyzes those municipalities and uses the theoretical tools developed in the book to analyze the causes of the quality of government in each.

The municipalities in question were studied at the same time and in the same way as Viacha and Charagua, through a systematic program of extensive semistructured and unstructured interviews of local government and community leaders, key informants, and citizens at the grassroots level. Detailed financial, administrative, and geographic information was collected in each district. As in Viacha and Charagua, the fieldwork was largely focused on recording the opinions of people at the neighborhood and village levels on the quality of public services and local government they received, and then determining how these outcomes came about. The municipalities were chosen to include Bolivia's main regions, ethnicities, and cultures, and to mirror the country in terms of size, population, degree of urbanization,

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and economic base. The group thus "represents" Bolivia in the weak sense of representing each of its essential characteristics in one or more of its number, and not in the strong sense of a representative sample used in the econometric work of chapters 4 and 7. The absence of opportunities for statistical inference is hopefully more than compensated, however, by the depth of the analysis that this approach makes possible.

Of the seven municipalities, two are on the altiplano: Desaguadero, perched on the edge of Lake Titicaca by the Peruvian border, and Atocha, in the heart of Bolivia's southern mining country in Potosí. Two are in the valleys region of Bolivia between the altiplano and the eastern plain: Sucre, the historic seat of the Spanish *audiencia* and the country's constitutional capital, and Sipe Sipe, just east of Cochabamba, itself known as the "capital of the valleys." And three municipalities are in Bolivia's vast eastern region: Guayaramerín, a frontier town on the river Mamoré that forms Bolivia's northern border with Brazil; Baures, further south and east and also in the department of the Beni; and Porongo, just off the main road 20 minutes southwest of Bolivia's second city of Santa Cruz. The seven are mixed in terms of population as well, ranging from the tiny Desaguadero and Baures, with 4,000 and 5,000 inhabitants respectively, through Porongo and Atocha, all small by Bolivian standards, to Sipe Sipe, Guayaramerín, and Sucre, whose populations varying between 20,000 and 153,000 make them large for Bolivia. In terms of the rural/urban divide the group generally mirrors the country, with five rural municipalities ranging in urban share of the population from 0–43 percent (Desaguadero, Baures, Porongo, Sipe Sipe, and Atocha); and two highly urban municipalities with 86 percent of their populations in the city (Sucre and Guayaramerín). Their physical sizes also vary, from Desaguadero and Porongo, small towns with modest catchment areas, to huge Baures that covers an empty swathe of land, rivers, and marshes stretching from the main town to the mining communities on the river Iténez, on the border with Brazil.

In economic and social terms the group is quite varied as well. Desaguadero and Sipe Sipe, in the more settled Andean region of Bolivia, have relatively stable mestizo and indigenous populations who speak a mixture of Spanish with Aymara or Quechua respectively, with Spanish preferred in town and the indigenous tongue in the countryside. Both are essentially farming areas, although Desaguadero combines an agricultural hinterland with a classic border-town economy based on transport and trade. Most migration is of the young departing for the cities of La Paz or Cochabamba,

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or the fertile lands of the east, and hence the populations of both are relatively ethnically homogeneous. On the far side of the country Baures shares some of these characteristics, although its agriculture is more cattle-based, and its *mestizaje* is of white Spanish-speakers with indigenous speakers of the Baures dialect. Its location in the Bolivian north and the lack of a passable land route have kept Baures isolated from the rest of the country, blocking in-migration. Hence its population is a stable mix of a small white minority with a mestizo- indigenous majority.

Atocha, Porongo, and Guayaramerín, on the other hand, are essentially immigrant societies, with a majority of their inhabitants born elsewhere and a dissonant mix of languages, religions, and ethnic groups. Their populations have changed dramatically over the past twenty years, to the point where in the latter two many people from eastern and western Bolivia are virtually unable to communicate with each other. Other than their heterogeneity and demographic instability, however, the three municipalities have little in common. Atocha is a mining economy bolted onto a subsistence-level agricultural hinterland, and its migration is mostly of western Bolivians from the departments of Potosí, Oruro, and La Paz. Demographic movements are highly sensitive to mineral prices, and flows of people in and out in recent years first slashed the district's population and then doubled it. In Porongo and Guayaramerín, on the other hand, there is abundant evidence of the long-term Bolivian pattern of migration from the agriculturally poor western highlands to the fertile lowlands of the east. In both, migrants from other parts of Santa Cruz and the Beni mingle with ex-miners and farmers from the highlands, and the remaining locals struggle to recall what their hometown was once like. In economic terms Porongo is closer to Sipe Sipe, an agricultural district close to a large city, while Guayaramerín is more like Desaguadero, with its border-town economy and a hinterland of poor farming villages.

The seventh municipality, Sucre, stands apart as by far the largest of the group and sixth largest in Bolivia, with a service-oriented economy based on government and the university, and well-established small industries. Sucre also has a fairly large hinterland extending several hours' drive to the north and west, where rural communities practice subsistence farming. Home to the self-styled bluest-blood descendants of Spanish colonizers, Sucre's mix of white, mestizo, and indigenous has become even more heterogeneous in recent years as it has been joined by tens of thousands of ex-miners and farmers from Potosí and Oruro, along with smaller numbers

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from the Bolivian east. These Aymara and Quechua speakers have brought their native languages into a Spanish-speaking city that traditionally shunned the Quechua countryside, so adding another layer onto Sucre's traditional rural-urban divide. The divide is apparent in Sucre's index of Unsatisfied Basic Needs[1] (UBN), where the value for the city, 0.388, is far superior to the rural value, 0.971. This difference is especially striking as Sucre has the second-best urban UBN value in the country; indeed, the difference between Sucre's urban and rural UBN values, and by implication the disparity between urban and rural provision of basic services, is the largest in Bolivia. This gap is reflected, albeit less dramatically, among the other six municipalities, with urban Guayaramerín and near-urban Atocha registering significantly lower UBN values than rural Desaguadero, Baures, Porongo, and Sipe Sipe. Tables 1–7 present a broad array of descriptive statistics for the seven municipalities.

Last, the political complexion of municipal government in our districts is quite telling. Only three of the seven respected the political alliances that dominated national politics at the time: Sucre, where the mayor was sustained by a political coalition that reflected the 1993–97 national government, and Sipe Sipe and Baures, run by parties of the opposition (which assumed power in 1997). Each of the other four municipalities was run by coalitions that in one way or another spanned the national government-opposition divide. This suggests that local politics in these municipalities was not subordinate to national political strategies but rather responded individually to local conditions and local imperatives. I return to this point in greater detail below.

This chapter will not employ the high level of descriptive detail deployed in chapters 2 and 3, preferring a more conceptual and analytic approach. The remainder of the chapter is organized as follows. The second section reviews how municipal government has changed in the seven districts since decentralization, both administratively and in terms of policy outputs, and considers how successful these changes have been. The next one examines the social, economic, and political factors that underlie local governance, focusing on their most salient features. The fourth examines how these factors combine to produce the institutions of local government, and hence the quality of the local governance system. The fifth section summarizes the analysis, highlighting notable comparisons and drawing lessons from the outliers. The last section modifies the model in light of the analysis and concludes.

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TABLE 1. Baures—Descriptive Statistics

General		*Electoral*		*Social Indicators*	
Total Population	5,133	Governing Coalition[b]	ADN-MIR	% of Population Speaks	
Urban Population[c]	0	% Vote 1995	53%	Spanish	93%
Urban Share	0%	Main Opposition	MNR	Native Tongue	0%
Rural Communities	5	% Vote 1995	41%	Spanish and Native	5%
Indigenous Communities	0	Electoral Absenteeism	24%	Literacy Rate	87%
Unsatisfied Basic Needs (UBN)	0.913	% Blank Votes	1%	No Ed. Attainment	11%
		% Null Votes	2%	Number of Schools (bldgs.)	14
Urban UBN	—			Total Students	1,733
Rural UBN	0.913	*Municipal Employees*		Students/Teacher	20.2
		1997	7	Uses Formal Health Care	
Oversight Committee		1993	4	System	91%
Total Members	4	Increase	75%	Number of Health Facilities	3
Village Members	3	Per 1,000 population	1.4	Malnutrition Rates	
President is from?	Rural	Top Salary[a]	Bs. 1,500	Low	20%
		Qualifs. Req'd?	No	Moderate	8%
				Severe	1%

Source: 1992 census, 1997 municipal census, National Electoral Court, National Institute of Statistics, author's interviews.
[a]Highest-paid nonelected official.
[b]In order of importance, 1995–99.
[c]Town's population is below the urban threshold.
[d]OC then in transition.

TABLE 2. Porongo—Descriptive Statistics

General		*Electoral*		*Social Indicators*	
Total Population	8,272	Governing Coalition[b]	MNR-	% of Population Speaks	
Urban Population[c]	0		ADN-MIR	Spanish	82%
Urban Share	0%	% Vote 1995	79%	Native Tongue	2%
Rural Communities	29	Main Opposition	None	Spanish and Native	15%
Indigenous Communities	0	% Vote 1995	—	Literacy Rate	84%
Unsatisfied Basic Needs (UBN)	0.928	Electoral Absenteeism	28%	No Ed. Attainment	13%
		% Blank Votes	2%	Number of Schools (bldgs.)	31
Urban UBN	—	% Null Votes	3%	Total Students	2,209
Rural UBN	0.928			Students/Teacher	21.9
		Municipal Employees		Uses Formal Health Care	83%
Oversight Committee (OC)		1997	12	System	
Total Members	4	1993	1	Number of Health Facilities	8
Village Members	3	Increase	1,100%	Malnutrition Rates:	
President is from?	Rural	Per 1,000 population	1.5	Low	16%
		Top Salary[a]	Bs. 1,300	Moderate	5%
		Qualifs. Req'd?	No	Severe	2%

Source: 1992 census, 1997 municipal census, National Electoral Court, National Institute of Statistics, author's interviews.
[a]Highest-paid nonelected official.
[b]In order of importance, 1995–99.
[c]Town's population is below the urban threshold.
[d]OC then in transition.

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TABLE 3. Sucre—Descriptive Statistics

General		*Electoral*		*Social Indicators*	
Total Population	153,153	Governing Coalition[b]	MNR-MBL-UCS-IU	% of Population Speaks	
Urban Population[c]	131,769			Spanish	32%
Urban Share	86%	% Vote 1995	69%	Native Tongue	11%
Rural Communities	103	Main Opposition	MIR	Spanish and Native	52%
Indigenous Communities	1	% Vote 1995	8%	Literacy Rate	49%
Unsatisfied Basic Needs (UBN)	0.467	Electoral Absenteeism	29%	No Ed. Attainment	41%
		% Blank Votes	2%	Number of Schools (bldgs.)	74
Urban UBN	0.388	% Null Votes	3%	Total Students	47,211
Rural UBN	0.971			Students/Teacher	15.2
		Municipal Employees		Uses Formal Health Care System	81%
Oversight Committee (OC)		1997	361		
(Sucre has separate urban and rural OCs.)		1993	520	Number of Health Facilities	126
		Decrease	–31%	Malnutrition Rates	
		Per 1,000 population	2.4	Low	18%
		Top Salary[a]	Bs. 4,891	Moderate	5%
		Qualifs. Req'd?	No	Severe	1%

Source: 1992 census, 1997 municipal census, National Electoral Court, National Institute of Statistics, author's interviews.
[a]Highest-paid nonelected official.
[b]In order of importance, 1995–99.
[c]Town's population is below the urban threshold.
[d]OC then in transition.

TABLE 4. Atocha—Descriptive Statistics

General		*Electoral*		*Social Indicators*	
Total Population	12,216	Governing Coalition[b]	MNR-UCS-ADN	% of Population Speaks	
Urban Population	5,275			Spanish	29%
Urban Share	43%	% Vote 1995	74%	Native Tongue	4%
Rural Communities	0	Main Opposition	None	Spanish and Native	64%
Indigenous Communities	0	% Vote 1995	—	Literacy Rate	85%
Unsatisfied Basic Needs (UBN)	0.555	Electoral Absenteeism	55%	No Ed. Attainment	14%
		% Blank Votes	4%	Number of Schools (bldgs.)	20
Urban UBN	0.499	% Null Votes	5%	Total Students	3,552
Rural UBN	0.605			Students/Teacher	18.6
		Municipal Employees		Uses Formal Health Care System	74%
Oversight Committee (OC)		1997	9		
Total Members	6	1993	5	Number of Health Facilities	13
Village Members	4	Increase	80%	Malnutrition Rates	
President is from?	Rural	Per 1,000 population	0.7	Low	30%
		Top Salary[a]	Bs. 800	Moderate	13%
		Qualifs. Req'd?	No	Severe	3%

Source: 1992 census, 1997 municipal census, National Electoral Court, National Institute of Statistics, author's interviews.
[a]Highest-paid nonelected official.
[b]In order of importance, 1995–99.
[c]Town's population is below the urban threshold.
[d]OC then in transition.

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TABLE 5. Desaguadero—Descriptive Statistics

General		*Electoral*		*Social Indicators*	
Total Population	4,337	Governing Coalition[b]	UCS-Condepa	% of Population Speaks	
Urban Population[c]	0			Spanish	6%
Urban Share	0%	% Vote 1995	45%	Native Tongue	20%
Rural Communities	32	Main Opposition	MNR	Spanish and Native	72%
Indigenous Communities	0	% Vote 1995	26%	Literacy Rate	68%
Unsatisfied Basic Needs (UBN)	0.927	Electoral Absenteeism	34%	No Ed. Attainment	27%
		% Blank Votes	1%	Number of Schools (bldgs.)	13
Urban UBN	—	% Null Votes	2%	Total Students	1,123
Rural UBN	0.927			Students/Teacher	14.4
		Municipal Employees		Uses Formal Health Care	
Oversight Committee (OC)		1997 (full-time)	18	System	28%
Total Members	4	1993 (full-time)	14	Number of Health Facilities	1
Village Members	2	Increase	29%	Malnutrition Rates	
President is from?	Town	Per 1,000 population	4.2	Low	18%
		Top Salary[a]	Bs. 700	Moderate	5%
		Qualifs. Req'd?	No	Severe	1%

Source: 1992 census, 1997 municipal census, National Electoral Court, National Institute of Statistics, author's interviews.
[a]Highest-paid nonelected official.
[b]In order of importance, 1995–99.
[c]Town's population is below the urban threshold.
[d]OC then in transition.

TABLE 6. Guayaramerín—Descriptive Statistics

General		*Electoral*		*Social Indicators*	
Total Population	32,273	Governing Coalition[b]	MNR-ADN	% of Population Speaks	
Urban Population	27,706			Spanish	85%
Urban Share	86%	% Vote 1995	70%	Native Tongue	0%
Rural Communities	23	Main Opposition	MBL	Spanish and Native	5%
Indigenous Communities	0	% Vote 1995	10%	Literacy Rate	92%
Unsatisfied Basic Needs (UBN)	0.659	Electoral Absenteeism	48%	No Ed. Attainment	8%
		% Blank Votes	1%	Number of Schools (bldgs.)	80
Urban UBN	0.627	% Null Votes	1%	Total Students	16,910
Rural UBN	0.978			Students/Teacher	30.5
		Municipal Employees		Uses Formal Health Care	
Oversight Committee (OC)		1997	50	System	86%
Total Members	10	1993	30	Number of Health Facilities	7
Village Members	8	Increase	67%	Malnutrition Rates	
President is from?	City	Per 1,000 population	1.5	Low	21%
		Top Salary[a]	Bs. 4,360	Moderate	7%
		Qualifs. Req'd?	No	Severe	2%

Source: 1992 census, 1997 municipal census, National Electoral Court, National Institute of Statistics, author's interviews.
[a]Highest-paid nonelected official.
[b]In order of importance, 1995–99.
[c]Town's population is below the urban threshold.
[d]OC then in transition.

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TABLE 7. Sipe Sipe—Descriptive Statistics

General		***Electoral***		***Social Indicators***	
Total Population	19,132	Governing Coalition[b]	Condepa-MIR	% of Population Speaks	
Urban Population	2,033			Spanish	7%
Urban Share	11%	% Vote 1995	42%	Native Tongue	21%
Rural Communities	7	Main Opposition	MNR	Spanish and Native	69%
Indigenous Communities	0	% Vote 1995	19%	Literacy Rate	73%
Unsatisfied Basic Needs (UBN)	0.815	Electoral Absenteeism	36%	No Ed. Attainment	24%
		% Blank Votes	3%	Number of Schools (bldgs.)	25
Urban UBN	0.659	% Null Votes	4%	Total Students	3,685
Rural UBN	0.834			Students/Teacher	16.0
		Municipal Employees		Uses Formal Health Care	
Oversight Committee (OC)		1997	21	System	74%
Total Members[d]	4	1993	13	Number of Health Facilities	8
Village Members	2	Increase	62%	Malnutrition Rates	
President is from?	Town	Per 1,000 population	1.1	Low	22%
		Top Salary[a]	Bs. 1,000	Moderate	9%
		Qualifs. Req'd?	No	Severe	3%

Source: 1992 census, 1997 municipal census, National Electoral Court, National Institute of Statistics, author's interviews.
[a]Highest-paid nonelected official.
[b]In order of importance, 1995–99.
[c]Town's population is below the urban threshold.
[d]OC then in transition.

Local Government after Decentralization

Decentralization brought about significant changes in the finances, administration, and policy priorities of our seven districts. But these changes were not uniform across the group. The municipal budgets and staffing of the smaller, less established districts grew spectacularly after 1994, while the older and more settled ones saw smaller gains. The Law of Popular Participation (LPP) increased central-local devolutions for all municipalities in Bolivia,[2] and hence all municipalities saw their budgets rise. But in smaller districts with fewer sources of revenue these increases were enormous. Thus Baures's budget grew 10 times, Atocha's and Porongo's grew 23 and 24 times respectively, and Sipe Sipe's growth was technically infinite.[3] Districts with sources of their own revenues before decentralization, on the other hand, saw increases that—while significant—were more modest: 470 percent in Guayaramerín, 138 percent in Desaguadero, and 40 percent in Sucre.[4] Municipal staffing levels show a similar pattern before and after 1994. The poorer, more tenuous districts saw increases in personnel that ranged from 62 percent in Sipe Sipe to 80 percent in Atocha and an impressive 1,100

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percent in Porongo, which before decentralization "had only one municipal employee, the chief municipal officer, who did everything."[5] Desaguadero's payroll, by contrast, rose just 29 percent, and Sucre's actually fell by one-third. Last, the salaries municipalities paid their employees reflected this divide as well, staying roughly constant in Desaguadero and Sucre, doubling in Guayaramerín, and rising by considerably more in the rest.[6]

It is reasonable that the group would divide on these criteria between places where functioning municipal institutions predate the LPP and places where they only sprang into being in 1994. In the former, "old" municipalities, local taxes had long permitted governing institutions to operate and provide public services, and hence the changes decentralization catalyzed, while not unimportant, were incremental.[7] The "new" municipalities, by contrast, essentially lacked local government before decentralization, and hence the reform marked a revolution in their local affairs.[8] It is interesting to note that the one municipality that did not exist at all before decentralization—Baures, previously an agency of the municipality of Magdalena—did not register the largest budgetary and payroll increases. That honor was taken by Porongo, followed by Atocha. This is an indication of just how desperate the state of many of Bolivia's small, rural municipalities was. Although these districts existed in theory, many of them—like Baures—may as well not have existed at all.

It is particularly interesting to consider the municipalities' hiring practices and the technical competence of their staff in this light. That new municipalities did not enforce qualification requirements for their personnel is not surprising. Their history was of struggling to find individuals to act as mayor or chief municipal officer with no administrative support and a salary that—in the best of circumstances—was risible. When the opportunity to hire a full complement of staff at realistic salaries arose, the local labor force was generally too small and unskilled to allow a careful selection of employees according to strict technical criteria. Hence mayors hired as opportunities arose, and there was a strong component across all four of "doing their best" under heavy constraints.[9] The old municipalities, on the other hand, already benefited from established bureaucracies, relatively high staffing levels, and a local pool of qualified labor. With new resources at their disposal, and given the extra responsibilities decentralization imposed, one might expect them to have implemented a more rigorous policy of hiring by qualifications. But none of the three did so. In fact their personnel policies were worse than neutral in this respect, as all three operated

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quota systems whereby staff were chosen by ruling political parties according to their electoral strength.[10]

The results, not surprisingly, were poor. Whereas local observers and grassroots leaders in the new municipalities reported improvements in the quality of municipal employees since 1994, their peers in Sucre and Guayaramerín did not. "The municipality is more a political than a technical institution," said Sucre's general secretary. "There are no educational requirements and lots of political pressure. Lots of [our] people are unprepared . . . it's a disaster."[11] Respondents in Desaguadero went further still, testifying that the municipal administration had actually worsened during this period. In the words of the mayor, municipal employees "were more capable and better paid before."[12] This begs the question of how political quotas arose in these districts. Quotas may have been the coincidental result of idiosyncrasies in each of these three municipalities, or they might be related systematically to their "oldness," some formalization of political bargaining arising out of repeated interactions.

Decentralization also brought about significant changes in public investment in the seven municipalities. Consider figures 1–7, which compare public investment under central government during the last three years before decentralization with that of local government during the first three years after. Most striking is that central government invested nothing at all in three of the municipalities—Atocha, Desaguadero, and Sipe Sipe—and in Baures invested only in transport. After decentralization, by contrast, the four carried out a varied menu of investment projects, in concert with the other three. Also compelling is the shift away from economic and urban infrastructure, which dominated investment pre-decentralization, in favor of human capital investment. Indeed, before 1994 energy, transport, and urban development accounted for 78 to 100 percent of investment in three of the four municipalities that received any. After 1994, local governments' investments in education, water, and health accounted for 70 percent or more of public investment in four districts, and between 41 and 51 percent in two others. Only in Sucre, curiously, did human capital investment remain low.

But variations in priorities are also evident among the decentralized governments. Focusing on investment after 1994, we see systematic differences between large and small municipalities' use of public resources. The large districts[13] in the group, Sucre, Guayaramerín, and Sipe Sipe, invest much less in human capital: only 35 percent of their portfolio on average versus 71 percent for small districts. Conversely, large municipalities invest

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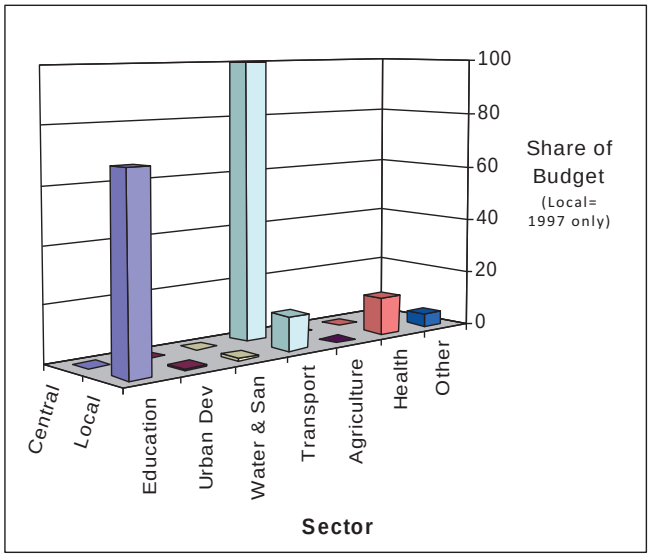

Fig. 1. Public investment in Baures. (Data from Baures municipal budget and Vice Ministry of Public Investment and External Finance.)

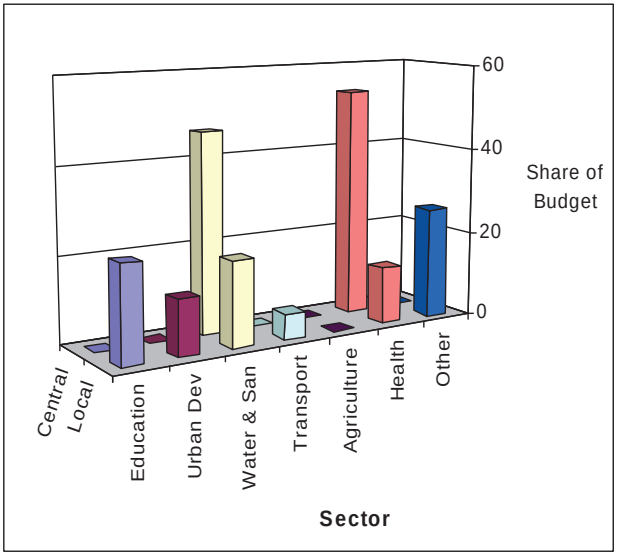

Fig. 2. Public investment in Porongo. (Data from Porongo municipal budget and Vice Ministry of Public Investment and External Finance.)

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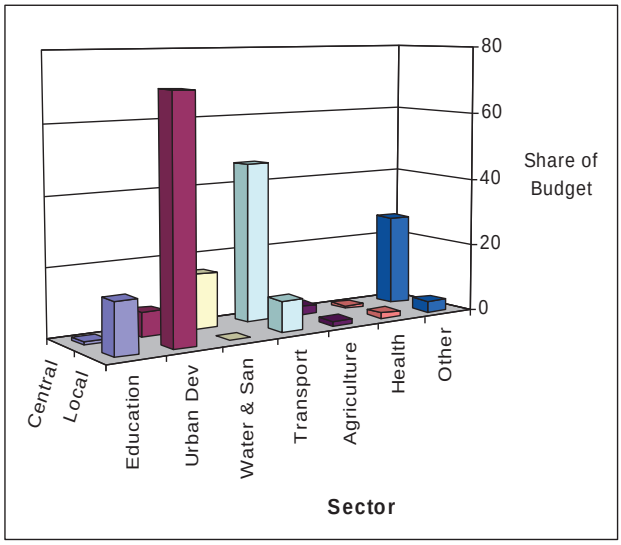

Fig. 3. Public investment in Sucre. (Data from Sucre municipal budget and Vice Ministry of Public Investment and External Finance.)

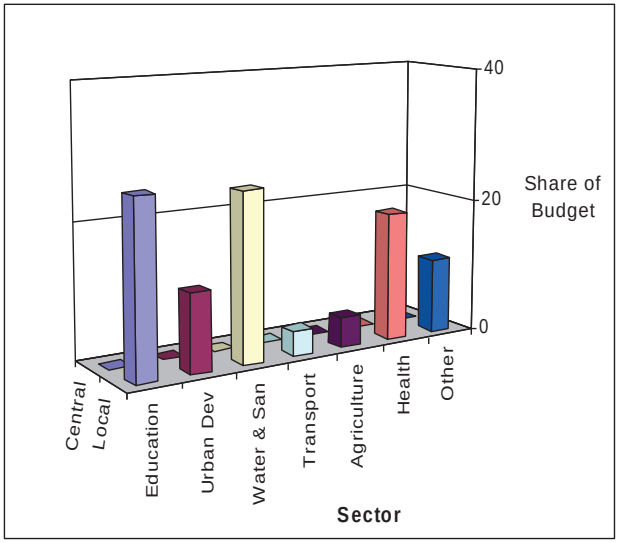

Fig. 4. Public investment in Atocha. (Data from Atocha municipal budget and Vice Ministry of Public Investment and External Finance.)

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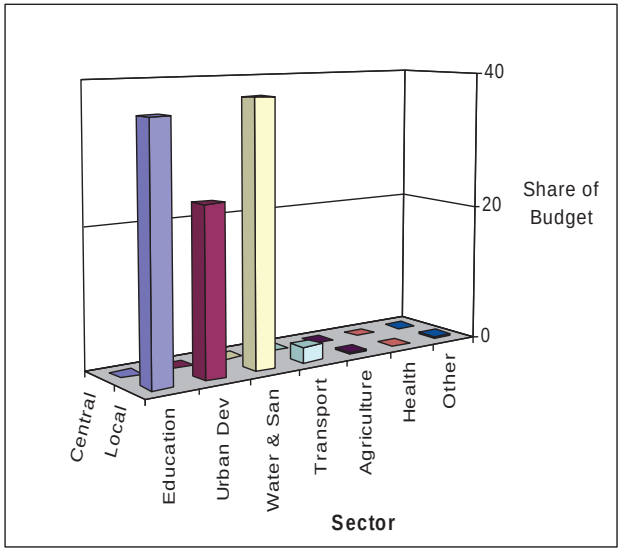

Fig. 5. Public investment in Desaguadero. (Data from Desaguadero municipal budget and Vice Ministry of Public Investment and External Finance.)

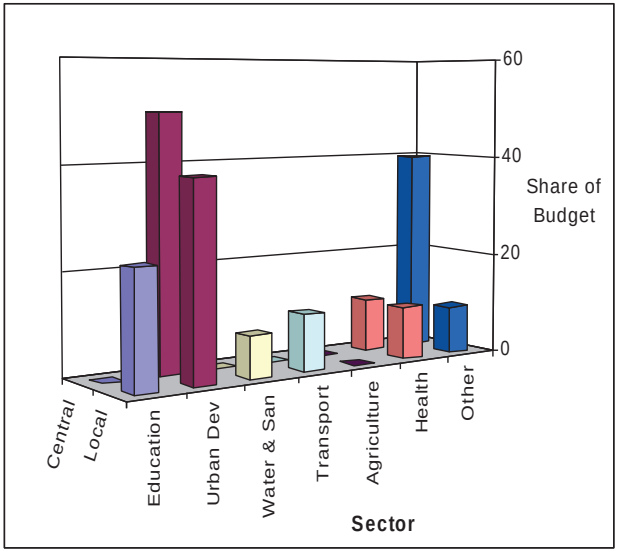

Fig. 6. Public investment in Guayaramerín. (Data from Guayaramerín municipal budget and Vice Ministry of Public Investment and External Finance.)

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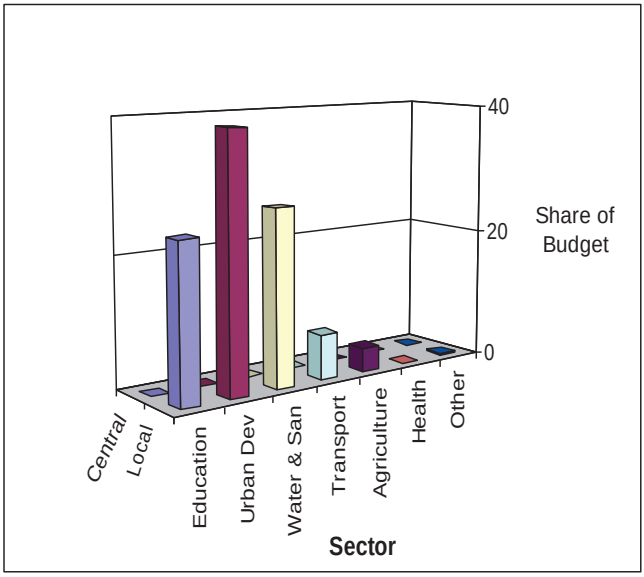

Fig. 7. Public investment in Sipe Sipe. (Data from Sipe Sipe municipal budget and Vice Ministry of Public Investment and External Finance.)

three times as much as small ones on urban development: 49 percent versus 16 percent. Among those that received no investment before decentralization, investment after is also concentrated in human capital in the range of 51–74 percent of their portfolios versus 12–39 percent in urban projects and less for economic infrastructure. These magnitudes imply that human capital was the top priority of the worst-off municipalities in Bolivia—the smallest, poorest, and most rural that were traditionally ignored by the state. This is consistent with the findings of chapter 1, which concluded that it was the policy priorities of precisely these districts that drove national changes in investment patterns after decentralization. By contrast central government, which faced no external restrictions on its choice of investments, chose to focus instead on infrastructure projects in the cities.

Given such large differences among the seven municipalities' administrations and policy decisions, it is important to ask, How satisfied were the inhabitants of each? Were local governments open to their opinions and participation? What did they think of the public services they received, and in what regard did they hold town hall? The information from six months

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of fieldwork is abundant in this respect, and revealing. Top marks among civic leaders; grassroots respondents; business, union, and religious authorities; and other local notables clearly go to the youngest municipal government of the bunch, Baures. The quality of its investment projects and the public services it provides was judged "good" or "very good" by all of the respondents I spoke to, a standard that none of the others approached.[14] Its investment planning system was based on village-level assemblies that discussed and approved project requests, on which local government then based its Annual Operating Plan (AOP). These meetings were reported to be extremely open and participatory—"even animals can attend," in the words of one respondent[15]—and won the broad approval of the local population. And the mayor and municipal council were deemed of high quality and eager to serve their jurisdiction. "Here they work well and the people are content with them," the leader of Jasiakiri said of the council. "They're with the people."[16] Several respondents from both town and countryside testified approvingly that town hall had so far favored rural farmers, "as they have the greatest needs and are in the majority here,"[17] and not cattle ranchers or miners, whose needs were less pressing. *Baureños*' contentment with their municipal government stood in stark contrast to their denunciation of the previous one, based in Magdalena, of which they were then a part. There was a broad consensus in Baures that Magdalena had ignored their needs and given them nothing, and had run an untransparent administration that was possibly corrupt. Self-government, they testified, had solved these problems.

Second place in terms of popular satisfaction goes jointly to Porongo and Sucre. Most of their investment projects were described by respondents as "good" or "regular," with the balance of opinion favoring "good." It is notable, however, that rural communities' appraisals in Sucre were significantly lower than those of urban communities. The planning processes of both districts were described as reasonably open in principle but in practice susceptible to personal influences or the capriciousness of municipal officers. For example, Sucre uses a well-designed participative planning system in which project ideas rise from the neighborhood/community level through multiple stages of discussion and approval to city hall, where they are screened by technicians for feasibility, cost, and overall consistency. The resulting draft AOP then goes back down to the local level in its entirety to repeat the process of discussion and modification. But despite this exhaustively participative protocol, local government used its technical oversight

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to alter or ignore some communities' requests, telling Chuqui-Chuquí, nonsensically, "not to request a dike or water project because those were not in the AOP."[18] And in Porongo, the president of the oversight committee (OC) reported that several farming communities had changed their project requests during preparation of the 1996 AOP, in order to conform to an official list of "acceptable projects."[19]

Both municipalities had mixed but ultimately positive opinions of their municipal executive, and low opinions of their municipal councils. Porongo's mayor was praised for his effort and good intentions in traveling throughout the district to meet the people. But many opined that his technical staff were of poor quality. And they singled out the municipal council for censure as highly politicized individuals most of whom lived in Santa Cruz, making them unresponsive to local needs. By contrast Sucre's urban majority seemed reasonably content with the quality of government they received, though they similarly reproached the municipal council as placeholders who obeyed their parties and ignored voters. But rural *sucrenses* denounced city hall for betraying them, declaring their condition to be the same or worse than before decentralization. "Up to now we've had *nothing* from popular participation," said Chuqui-Chuquí.[20] "It doesn't respond to need locally. First one comes [from city hall] and says there's money for us, then another comes and reduces the amount, and in the end there's nothing."[21]

Atocha occupies third place alone, with highly dispersed opinions of its investments and public services. Most opinions were clustered between "good" and "bad," but collectively covered the entire range. There seems to be no pattern to respondents' judgments between town and countryside, or farming versus mining communities. Atocha's planning regime was quite open and participative, and in fact seemed to reflect local inputs more faithfully than Sucre's or Porongo's, although the mayor did push to secure the approval of a fairly large pet project in defiance of local demands in 1997.[22] Regarding the performance of the local executive branch, *atocheños* were reticent, referring more generally to the changes decentralization had wrought. But the general perception seemed to be that town hall, while better than before, was still not good enough, especially as it ignored some rural communities entirely. "We've seen little change here," reported Chorolque, "but it was worse before." Although the mayor was regarded as well-meaning and reasonably competent, his municipal council was judged ignorant, uninterested, and ineffectual. Its president, one observer mentioned with contempt, did not know how to read.[23] Surprisingly, a number

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of respondents testified that the council had been even more politicized in previous years and was forced to improve by the OC.

Desaguadero, Guayaramerín, and Sipe Sipe collectively bring up the rear. Like Atocha, popular verdicts on their investments and public services were dispersed over the entire range of possibilities, though most vary from "bad" to merely "regular." It is striking that planning procedures in all three cases were largely closed to popular input, dominated by municipal staff. While some projects did originate in community ideas, others did not, and communities had little or no say in project planning or execution, and no recourse for altering official plans. One technical officer in the municipality of Guayaramerín told me, "We reformulate the AOP as we see fit. We don't consult grassroots organizations because they bitch too much. We know we should, but we don't."[24] In Sipe Sipe the community of Siquisiquía wanted a well but had to settle for a school when government refused to fund the former.[25] Not surprisingly, popular assessment of the institutions of local government was poor in all three districts. It was worst in Sipe Sipe, where the previous mayor, under pressure to resign, switched jobs with the president of the municipal council. But popular opinion was not satisfied, and grassroots organizations forged a consensus to rescind their recognition of the oversight committee, which was seen as partial to the mayor, in order to appoint a new OC to investigate the new mayor. The leader of Mallco Rancho explained that their intention was to cause the suspension of central-government transfers in order to force him from power.[26]

Opinions in Guayaramerín were mixed. In the city, in the wake of a previous mayor widely considered corrupt and ineffective, people suspended judgment as they waited to see what the current one might accomplish. In the countryside, however, community leaders attacked the mayor for grossly favoring the city at their expense. But it was Desaguadero that had the most curious assessment. There urban opinion was that the municipality was marginally acceptable because it invested large sums in the countryside. But rural communities accused the mayor of depriving them of all resources and denying them political voice. Last, the municipal councils of all three districts were widely held in very low esteem as politicized, unresponsive institutions. And the councilmen of Sipe Sipe and Guayaramerín, in particular, were generally considered corrupt. "The municipal council," observed the director of the Guayaramerín Hospital, "is worthless."[27] Table 8 summarizes popular perceptions of municipal performance.

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TABLE 8. The Perceived Quality of Local Government

Rank	Municipality	Investment Project Ratings[a]	Project Planning[b]	Local Government Performance[d]	
				Rural	Urban/Town
1	Baures	Good–Very Good	Very Open	Good–Much Improved	
2	Porongo	Good	Fairly Open	Good Mayor, Poor Council	
	Sucre	Good	Open but Arbitrary	Bad	Mediocre
3	Atocha	Good–Bad	Open but Distorted	Mediocre–Not Good Enough	
4	Desaguadero	Regular–Bad	Closed	Bad	Mediocre
	Guayaramerín	Regular–Bad	Closed	Bad	Mediocre
	Sipe Sipe	Regular–Bad	LG-Dominated[c]	Bad	

Source: Author's interviews, observation, and other fieldwork.
[a]Most common ratings as given by communities and grassroots leaders.
[b]Degree of openness to local ideas, needs, and participation.
[c]LG = local government.
[d]As rated by communities and grassroots leaders; urban/rural differences noted where relevant.

Economics, Politics, Society

What patterns can we glean from the successes and failures of our seven municipalities? How can such large differences in local government effectiveness be accounted for? I maintain that an explanation based on the quality of local government institutions focuses only on apparent reasons. More fundamental causes lie deep in the interactions of the local economy, political dynamics, and social structure of each municipality. We take each in turn.

The Local Economy

The seven municipalities present a broad range of economic interests and structures, summarized in table 9. As we shall see, though, economic structure alone is insufficient to explain their divergence in local government performance.

Chapter 6 found that economic hegemony, or monopsony in the supply of money to the local political system, tends to reduce competition among political parties and therefore political oversight of the institutions of local government. An open and competitive local economy, on the other hand, foments competition in politics, thereby increasing the diversity of ideas and policies that compete for public favor. This section examines the local economic structure of our seven municipalities.

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Our seven cases include a wide variety of economic activities. Baures, Porongo, and Sipe Sipe are all farming communities. The mainstay of the inhabitants of Sipe Sipe is subsistence or near-subsistence agriculture on family plots, with no large landowners surviving the agrarian reform. "The hacienda was bought out in 1953," the leader of Parotani, Sipe Sipe, explained.[28] Porongo is also a district of small farmers but with higher levels of production that allow them to sell food to the city. Baures adds a cattle economy of 35,000 head to a similar agricultural base. The few large farms in the district belong to ranchers based in La Paz, Santa Cruz, and Trinidad, and Baures's remaining ranchers are medium-sized to small, making it similar to the other two.[29,30] Baures, too, once had large landowners whose farmworkers were virtual slaves.[31] But they entered a decline in the 1970s and eventually died out. Partly as a result, land is not a source of social conflict. In a sparsely populated district, land is in abundance, easily available, and there is little competition for it.[32] In all three districts the towns primarily support the farming economy through commerce and agricultural services, and are essentially devoid of all other industry.

Porongo stands out, however, due to its proximity to Bolivia's second city and its most dynamic, fastest- growing business center, Santa Cruz. The long-term agricultural decline that operated in Charagua affected Porongo as well, where falling food prices and the development of the urban economy reduced the appeal of inheriting the farm as it increased the luster of an urban, professional life. But because of its location, the outcome in Porongo was diametrically opposed to that of Charagua. Here the sons of wealthy landowners, who migrated to the city for their educations and then

TABLE 9. The Local Economy

Rank	Municipality	Principal Sectors[a]	Size of Leading Actors
1	Baures	Cattle, Agriculture	Medium/Small
2	Porongo	Agriculture, City	Medium
	Sucre (rural)	Agriculture	Small
	(urban)	Services, Small Industry	Medium/Small
3	Atocha	Mining, Agriculture	Small
4	Desaguadero	Transport, Trade and Agriculture	Medium/Small
	Guayaramerín	Transport, Trade, Industry, Commerce, Agriculture and Timber	Large
	Sipe Sipe	Agriculture	Small

Source: Author's interviews, observation, and other fieldwork.
[a]In rough order of importance.

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careers, stayed close enough to maintain weekend houses in the town and a strong interest in its affairs. Through their wealth and social position they were able to dominate local politics despite their urban residences and occupations. Hence a district made up of a single, rural economy with few differences between town and countryside, where a commonality of economic interest should have prevailed, was captured by a wealthy enclave that served as a vector to import the concerns and priorities of the city into its midst. This had, as we shall see below, decisive effects on its politics and government.

Sucre, Guayaramerín, and Desaguadero present a different case of more complex economies, where an agricultural hinterland coexists with an industrial-commercial hub. Despite being at opposite extremes of the size distribution, Sucre and Desaguadero share the characteristic of combining a modern, urban market economy with a rural sector of subsistence agriculture. In Desaguadero the urban economy is dominated by transport and trade with neighboring Peru, with some 300 vehicles per day passing through the town, most of them high-capacity trucks.[33] This traffic generates significant revenues for the municipality, and control of local government is lucrative. The small town's economy revolves around truck owners, truck drivers, and the businesses that serve them. Economic actors are mainly small, and there are no large owners. Desaguadero's farmers, on the other hand, work small plots and do not grow for export. The town's economic links are therefore stronger with the La Paz–El Alto conurbation than with the villages that stretch outward to the south and east. The fact that trade depends on the relative fortunes of Bolivia and Peru—two very volatile economies in recent years—serves to strengthen the town's focus across the border, away from its hinterland.

In Sucre, the city is largely a service economy, dominated by the institutions of national and departmental government, and the large, very old, and prestigious Universidad Mayor y Pontificia San Francisco Xavier. Its biggest industrial concern, the cement company Fancesa, is a public firm co-owned by the university, the prefecture, and the municipality. After these, Sucre's most important economic institutions are its chocolatiers, hat makers, and tanneries, none of them large. "Sucre was founded for bureaucratic reasons, not economic ones," the chamber of commerce's directors elaborated, "because the wives of the Spanish died giving birth in Potosí."[34] It was once run by a mining and landowning oligarchy, according to the district director of education, but the revolution of 1952–53 ended that, and

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there have been no dominant economic interests since.[35] Today the countryside is made up of poor family farms that grow potatoes, wheat, and corn in the dry hills of Chuquisaca. With little surplus production, the cash economy is fragile, and trade with the city is small. In both municipalities the two economies, rural and urban, are internally homogeneous, characterized by small to medium-sized actors and no dominant (private) interests. But there is little to connect them, and they coexist side by side, barely interacting.

Guayaramerín consists of a highly urbanized municipality with an extensive rural hinterland that, alone among our group, makes up a single agribusiness economy. Like Desaguadero, it has the transport and trade-based economy of a frontier town. But unlike it, Guayaramerín also benefits from large agricultural enterprises, including almond, Brazil nut, and heart-of-palm packagers/exporters, cattle ranchers, loggers, and timber merchants, as well as a significant retail sector that exploits exchange-rate movements between the boliviano and the real. This last crosses the barrier of legality, running to drugs and contraband. The nature of these businesses implies that the urban and rural economies are intertwined: wealthy businessmen have large rural landholdings and employ many villagers, and the economic conditions that large and small actors face—affected by weather, disease, and infrastructure among other causes—are often the same. Unlike Sucre and Desaguadero, however, Guayaramerín's economy is dominated by a small group of powerful businessmen who collectively own much of the local economy and all of its large businesses. Some of the strongest among them are timber merchants and cattle ranchers, who also control the local political parties and through them local government, treated in more detail below. The most important two businessmen, "Cacho" and "Gigi," were locked in a battle for influence that is typical of the dominance of the business elite to which they belong. Hernán "Cacho" Vargas Rivera is the most powerful businessman in Guayaramerín, with Brazil nut, heart-of-palm, and river and land transport companies, two television stations, and 140,000 hectares of land in Pando.[36] His rival, Adrián "Gigi" Rivera, is a hotel owner, president of the local electricity cooperative, and moneylender at rates of 5–7 percent per month.[37] Their names came up often in my interviews throughout the district when respondents were asked "who runs the show."[38] While Cacho attempted to gain control of municipal policy via the local Acción Democrática Nacionalista (ADN) party, which he leads, Gigi refused to lend the electricity cooperative $37,000 unless the munici-

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pality agreed to assume the debt, thus ensnaring it in his web. Though Cacho raged against this "scandal," he also admitted that, in his view, "the municipality has become an instrument" of powerful interests in Guayaramerín.[39]

Last of all is Atocha, where the economy is cleanly divided into two more or less equal parts: mining and subsistence agriculture. The former is centered on a number of mining communities[40] made up of rows of small huts with few or no basic services, a level of deprivation that resembles Atocha's rural villages. At each one the miners are organized in a loose cooperative and work individually or in teams in narrow, often dangerous stretches of tunnel. "The cooperative no longer has the solidarity it once did," the parish priest lamented. "Before everyone earned the same wage, but now each miner is left to his fortune."[41] By 1997 miners had fallen a long way since the heyday of Comibol[42] and the COB,[43] when the two organizations in essence ran Atocha. No large miners were left, and the district's leading figures were the rich townsfolk, many of them alcohol and coca salesmen, and its politicians, often the same individuals. These changes notwithstanding, miners retained a higher capacity to mobilize than any other group in Atocha. With their tradition of militancy and a strong organization, they were quick to march on the town to defend their interests if necessary, as the mayor had discovered more than once.[44] The other, agricultural economy was organized around the small, low-yielding family farms typical of the altiplano; as elsewhere, large landowners had not survived agrarian reform. This economy did not grow so much as persist in the high altitude of Atocha, weakly linked to the mining and urban sectors and largely ignored by the town. Atocha itself was the commercial center where mineral traders and other mining services, as well as more general commerce, were based. Its fortunes were largely dependent on the mines, and it naturally looked to them in search of its future.

The Local Political System

Table 10 summarizes our districts' political characteristics.

Chapter 6 found that a vigorous and competitive local politics, marked by political entrepreneurship and policy innovation, was necessary for effective local government. It listed three conditions for this to obtain: (1) an open and transparent political system, (2) a competitive party regime, and (3) a substantive focus on local issues and local people. Of these, the first

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would seem to be present in the seven cases. Complaints were common in all of our municipalities about the vituperative nature of political discourse: "We're *worse* off than before," reported Mojotoro, Sucre. "Before there was no politics here. Now they have campaigns and fight for power."[45] But there was a broad consensus everywhere, with the possible exception of Porongo (see below), that electoral chicanery and intimidation were ills of the past, and elections were now free and fair. "The elections were clean here," said Sucre's district director of education, in a typical response. "Before they stuffed ballot boxes—there were many irregularities."[46]

The only district with a fully competitive party regime was Baures, where clearly delineated governing and opposition alliances existed that mirrored at least in form the national pattern of politics. Local government was in the hands of an ADN-MIR coalition, and the MNR was in opposition. Indeed, although politics in such a small population had an undeniably cozy air, and politicians knew each other and their families personally and well, politics was quite competitive in Baures, with rival blocs vying to unseat each other in local elections. "There's a lot of politics in this town," said one observer, referring to how party loyalties ran deep in local society. "Yesterday the people [at the village festival] were absolutely divided by political party, each off to one side."[47] Not surprisingly, Baures had the lowest rate of electoral absenteeism among the seven, at 24 percent. Perhaps as a result, politics was not dominated by powerful economic or other interests but was open to all and represented a broad range of views. Indeed, in the previous election the MNR had coopted the indigenous vote Charagua-

TABLE 10. The Local Political System

Rank	Municipality	Interest Group Capture?	Electoral Absenteesim	Open, Competitive Political System?
1	Baures	No	Low	Yes
2	Porongo	Yes	High[a]	No
	Sucre	No	Low/Medium	No
3	Atocha	No	High	No
4	Desaguadero	Yes	Medium	No
	Guayaramerín	Yes	High	No
	Sipe Sipe	No	Medium	Yes, outside MC[b]

Source: Author's interviews, observation, and other fieldwork.

[a]Many adults are unregistered or registered elsewhere: see text.

[b]Competitive politics occurs outside the municipal council (MC) and largely outside the party-political system: see text.

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style by naming a *Baureño* to its party list.[48] And unlike other municipalities, as we shall see below, municipal councilmen did not cover up each other's transgressions; thus two MNR councilmen from the 1995 election had not yet been recognized, pending allegations against them from the previous government. But despite political competition that was often sharp, politicians managed to work relatively smoothly together, and it is telling that Baures's worst political conflict during this period came from the outside. This happened when the (MNR) prefect unilaterally donated a generator belonging to the town of Baures to nearby El Cairo when the latter's, used to pump water, broke down. The municipal council and oversight committee intervened at the scene of a public commotion and prevented him from doing so.[49] Their action was widely applauded throughout the district, even in the village of El Cairo.[50]

In Sucre, Porongo, and Atocha, by contrast, competition in the local political system was essentially absent. So disinterested were Sucre's politicians in political rivalry that MNR councilmen, upon winning the 1995 local election, voted to return the Socialist Vanguard Germán Gutiérrez to the mayor's office, while they, the MBL, and their other electoral allies quietly split municipal patronage among themselves. Gutiérrez was known as a competent and honest politician, and the MNR was happy to support such a front man in order to avoid political strife over municipal power. Politics in Sucre was not, therefore, a real clash of ideas or opportunity to effect change, but rather the means by which the political class shared out the spoils of power among itself. In Atocha politics was less fractious, with three parties holding 74 percent of the vote, led by the MNR. These three held all five council seats between them and were all allied in a governing coalition. The MNR, a party that brought together the miners, peasant smallholders, and a number of the town's rich men, considered itself the natural party of government in this region. And no one was willing to oppose it. Porongo was more like Sucre, but for quite different reasons. Here a small clique of urbanites—sons of the town who had left it for the city (see above)—captured control of local government and used it to further their own, foreign priorities. As in Atocha, they represented the rich of the town, except that they did not live in the town.[51] This small group of friends referred to themselves curiously as *los residentes,* or more ominously *la fraternidad,* and were distributed among all the main political parties in what was in effect, if not by design, a group strategy for political domination. Once in power they showed no party discipline and no desire to compete; the MNR mayor gov-

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erned in coalition with the ADN and MIR, and there was no political opposition. The terms of the local political debate accordingly reflected not the problems and interests of most *poronguẽños* but rather those of the few among them who lived in Santa Cruz.

The three municipalities also shared the problem of electoral absenteeism in rural areas. In Atocha this was largely due to a lack of identification documents among would-be voters in rural areas, compounded by identification and voter registration drives in the city and environs that never reached most of the district's villages.[52] Hence Atocha's urban and surrounding voters had a disproportionate say in its politics at the expense of the countryside. Sucre's absenteeism was fairly low in the city but rose as distance from the center increased. Peri-urban dwellers often lacked documents or were not registered to vote locally; rural villagers also lacked identification and—with no electoral tradition and a city hall closed to their needs—were uninterested in politics and politicians.[53] Thus the rural- urban gulf that divided Sucre revealed itself in politics as well. Absenteeism took on a different form in Porongo. There, a number of rural communities found themselves closer to polling centers in Santa Cruz than any of Porongo's three[54] and accordingly registered and voted in the former. Other residents, more typically, lacked the interest or identification to vote and did not bother to register. Thus while Porongo's rate of absenteeism appears low at 28 percent, its "true" absenteeism was much higher, estimated by different observers at between 60 percent and 75 percent.[55]

The effect of high rates of absenteeism was to facilitate the manipulation of electoral results by means that, while perhaps not strictly illegal, were ethically dubious. Thus in Porongo the mayor cheerfully asked me, "Do you know how I won the election? I had more trucks than my opponent!"[56] And he burst out laughing. To the extent that he simply provided local voters with free transport, he was guilty only of a partisan effort to get out the vote in a district lacking transport. But several observers accused him and others of trucking in paid "voters" from other municipalities, in violation of election laws.[57] It is not clear that this in fact occurred, although the mayor's boast provides cause for alarm. If it did, then Porongo stands out as the exception in our group to increasing electoral transparency. More generally, *residentes* were resented for bringing their families from Santa Cruz to vote in Porongo, in an attempt to tip electoral results.[58] In such a setting, the ultimate effect of Porongo's quasi-absentee voters was

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to facilitate the success of such strategies by reducing the overall vote tally, thus abetting outsiders' attempts to distort the local political system.[59]

As a result of these factors, all three municipalities suffered from weak political accountability.[60] In Atocha and Porongo, high absenteeism sapped the power of elections to elicit information or constrain government's policy decisions; strategic bargaining by councilmen in the indirect election of Sucre's mayor produced a similar result there. All three municipalities lacked the disciplining effect of an active opposition on government decisions, with negative consequences for policy-making in each. Indeed, the only real opposition government faced in Porongo was beyond party politics, from the (real) residents of Porongo. This was voiced by the OC, which opposed certain investment projects considered of little benefit to most rural *porongueños.* Atocha displayed a similar dynamic, in which an urban political game for control of the municipal apparatus was interrupted episodically by a more raw interaction of miners and municipal authorities in which the former marched, demonstrated, and even took hostages in support of their demands.[61] This was how decisions of local importance were made in Atocha, punctuating periods of personal and political harvest for elected officials. Porongo's OC, starved of funds, personnel, and bargaining power, was altogether less successful. To try to overcome this problem, its president proposed a new "microregional" party to contest local elections on behalf of rural farmers. The MBL, as it had done in Charagua, accepted.[62] But in Sucre neither form of "external" opposition was present, and politics as a result remained strangely disconnected from local society. Perhaps because its urban population was so much in flux, parties did not have strong socioeconomic identities.[63] Politics thus occurred in a sort of gap, an empty space between society and government where politicians hid, dealing quietly among themselves, with little incentive to seek change.

Last come Desaguadero, Guayaramerín, and Sipe Sipe, the three worst performers of our group. All three had medium to high rates of absenteeism, between one-third and one-half of the electorate. Guayaramerín, with the highest rate, suffered what in terms of the model of chapter 6 can be called a weak relationship in the primary political market for votes. The people there, a heterogeneous mix resulting from a migratory boom that lasted two decades, had little tradition of political participation and hence a weak voting spirit. I return to this point below. In Desaguadero and Sipe

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Sipe, two more demographically settled districts, absenteeism was lower but still significant. This was due in large part to such factors as distance and lack of identification, especially in rural areas, discussed above.

Perhaps not surprisingly given low voting participation, interest-group capture afflicted both Guayaramerín and Desaguadero, though not Sipe Sipe. In the former, money politics was a very strong phenomenon. Prominent businessmen—the spiritual descendants of the cattle barons of the past—were firmly in control of the major political parties, and through them local government, using their resources to fight elections and expedite their political strategies. And once in power, officials and their businesses profited from the contracts, contacts, and policy-making powers that local government afforded to further their business interests. Thus when the MNR sought to prevent the reelection of Guayaramerín's longtime ADN mayor, who had won the popular vote,[64] it offered the MBL councilman $30,000 for his vote. This councilman, an ex-priest of modest means, used the money to buy a local television station and so became one of Guayaramerín's media magnates.[65] His vote elevated a prominent logging and timber merchant to the mayoralty of a district that contained large tropical forests. But it is notable that these political dealings occurred among individuals much more than among parties. Political alliances were much the same. Indeed, during my stay the mayor and senior ADN councilman inaugurated a new coalition between their respective parties with a karaoke duet in a local nightclub. This broke up the previous MNR-MBL pact. But the local ADN chief was unconvinced. "Ivan [the ADN councilman] and Tico [the mayor] don't seem to belong to any party anymore. They're just looking to accommodate themselves."[66] Political competition in Guayaramerín was the province of narrow interests—that is, individual businessmen—vying for control over the machinery of government and its policy-making. It was not a broader contest of ideas or ideologies, and in it broad collective interests were essentially unrepresented. Once elected, Guayaramerín's politicians were content to find an accommodation and did little to oversee or discipline each other's activity. The fact that they were friends and members of the same restricted social set greatly facilitated this process. The fate of the previous mayor, widely accused of embezzlement but never investigated by the municipal council on which he still sat, was illustrative.[67]

Desaguadero, by contrast, was politically two separate municipalities—an urban one where politics happened, and a rural one where it did not. In a way similar in type, though smaller in scale, to Guayaramerín, urban pol-

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itics in Desaguadero took the form of a contest among a business elite to hold power and control municipal resources. Once elections were over, the spoils were divided among the victors, and public life resumed its cozy, quiet pace. But the fact that the assets of Desaguadero's biggest businessmen were literally on wheels—they could get into their trucks and drive away—made them essentially opportunists and not entrenched interests in the sense of factory or landowners. Partly as a result of this, Desaguadero's politics was a less ruthless, less deliberate affair than Guayaramerín's, largely free of ideology or broader (national) strategies. With a substantive focus on patronage, and a mobile, changing elite, the district lacked political competition because in many ways it lacked substantive politics. Sipe Sipe went further still along this continuum. Like Desaguadero it had no entrenched interests, but unlike it no powerful businessmen either, and hence no money politics. Despite this the district hosted fairly strong political rivalries, with a MIR-Condepa coalition ensconced in town hall, strong MBL sympathies among community groups, and constant frictions between the two.[68] But somehow this did not translate into substantive competition in the political realm. The job switch between the mayor and president of the municipal council showed that local politicians were willing to act demagogically to undermine such mechanisms of accountability. Politicians' desire to avoid political competition did not entirely stifle it, however, but rather relocated it outside the municipal council, in the hands of grassroots organizations (GROs). Thus the discipline that competing parties might normally have injected into the political arena was instead provided outside it when Sipe Sipe's GROs mobilized to challenge the mayor.

This combination of voter absenteeism and a lack of political competition led to weak accountability in all three districts, as it had in Atocha, Porongo, and Sucre, facilitating the self-perpetuation of prominent politicians and amplifying their discretion once in government. In Desaguadero and Guayaramerín citizens had yet to learn how to use the political system to enforce accountability on government officials. Sipe Sipe, by contrast, was in the middle of an experiment in which civic activism attempted to remedy the problem by challenging its root cause—the political dominance and manipulations of the Condepa-MIR coalition. By substituting for political parties, GROs sought to loosen the grip of a small coterie of politicians on their municipal government and so regain control of local affairs. Unfortunately this research ended before it was clear whether the experiment would succeed or fail.

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It is interesting that there was no evidence of political capture in three of the six municipalities where political accountability failed. None of these—Atocha, Sipe Sipe, and Sucre—had interest groups sufficiently powerful to dictate to local government. This implies that the dual failure of political opposition and electoral participation is sufficient to undercut accountability in the local political system even in districts that lack dominant interests, thus leaving municipalities prey to the volition of their leaders. Not surprisingly, respondents in three of these districts, Sucre, Porongo, and Guayaramerín, and to a lesser extent Desaguadero as well, reported a loss of faith in governments that did not answer for their actions, and a loss of interest in politics. In Sucre the reelection of Gutiérrez, who came in second, had caused many voters throughout the district to despair "because one wins the election but another winds up in power."[69] "The people here feel that their vote has no value," added an observer in Guayaramerín. "It's all cooked between them [politicians], so why vote?"[70] This worsened the problem of absenteeism, which in turn made it easier for elites to perpetuate themselves and decreased their accountability—a vicious cycle that was potentially difficult to break.

Civil Society

Table 11 summarizes the districts' social characteristics.

Chapter 6 conceptualized the role of civil society in local governance as an institution that aggregates preferences and represents community needs,

TABLE 11. Civil Society

Rank	Municipality	Social Heterogeneity	Encompassing Interest	Trust	Institutional Coherence and Ability (ICA)
1	Baures	Low	Yes	High	High
2	Porongo	High	Yes[a]	Low	Low
	Sucre	High	No	Low	Low[b]
3	Atocha	Medium	No	Low	Low[c]
4	Desaguadero	High	No	Low	Low[b]
	Guayaramerín	High	Yes	Low	Low
	Sipe Sipe	Low	Yes	High	High

Source: Author's interviews, observation, and other fieldwork.
[a]Latent encompassing interest.
[b]Rural high + urban medium = collectively low.
[c]Rural low + urban medium + mining communities high = collectively low.

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mediates community participation in the production of public services, facilitates social expression and the assertion of local identity, and enforces political accountability on the institutions of government. Whatever organizational form civil society takes—and in Bolivia the distance from mining cooperatives to pre-Conquest *ayllus* is great—its institutional coherence and ability to mobilize grassroots participation around a particular goal are fundamental to its ability to participate in the local governance process. These qualities are in turn dependent upon people's ability to communicate effectively with each other, the degree to which they share interests and priorities, and ultimately the trust that they invest in their leaders and in each other. Unfortunately such characteristics are subjective social traits and thus difficult to measure reliably. Hence this section examines communities' ethnic and organizational heterogeneity, and the (objective) existence of an encompassing socioeconomic interest,[71] as proxies for ease of communication and similarity of social priorities.[72] It also uses interview responses as evidence for the existence of trust. Taken together, these attributes point to levels of institutional ability and coherence that vary significantly among our seven civil societies.

With five rural and three urban GROs, Baures was a compact society where whites lived largely in town, indigenous people in the countryside, and mestizos in both. The district had some 720 indigenous residents,[73] and people of mixed race made up the majority. But the social implications of this ethnic diversity were less than elsewhere in Bolivia due to the greater degree of assimilation by *Baureño* natives and mestizos. In linguistic terms, for example, 93 percent of Baures's people spoke only Spanish, 5 percent Spanish plus a native tongue, and 0.1 percent a native tongue only, which is a stark contrast with Bolivian averages of 32 percent, 19 percent, and 43 percent respectively.[74] *Baureños*' dress was essentially Western dress, largely free of distinguishing features such as the multilayered skirts and bowler hats of the altiplano, and mixed *Baureño*-Spanish surnames abounded, indicating a high rate of intermarriage. Consistent with this, observers reported smooth social relations among these groups and described Baures as "pacific." "Here everyone gets along well," said the nuns from CETHA. "All participate equally in each other's feast days."[75] Indeed, the controversy surrounding the generator and the prefect "was the first time since 1704 that there was a commotion in the town," the head of one GRO reported.[76]

Good social relations can partly be explained by the similar economic interests of its citizens, whether indigenous, mestizo, or white. As explained

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above, Baures had a single agricultural and cattle economy devoid of industry, lacking in trade, where small and medium-sized landowners prevailed. Town and countryside faced similar economic incentives, and when the countryside prospered the town did too. There was, thus, an encompassing interest in Baures, and one that expressed itself in a context of social harmony using a common language, Spanish. This bred a similarity of outlook that transcended politics and reached down into the social realm; as their goals were similar, the social organizations they employed to advance them were similar too. Rural and urban communities alike described their communities as "grassroots organizations,"[77] using the language of the 1994 LPP reform, so eschewing the opposition between "indigenous/original communities" and urban "neighborhood councils" common in the rest of Bolivia. We might expect trust to flourish in such a context, and in Baures it did. "The distribution of money is much better now," said the head of Jasiakiri's GRO, explaining that his community was willing to forgo investments in one year so that resources might flow to other communities. "Now communities take turns to receive investment. It's good this way."[78] This leader valued cooperation as such, illustrating an attitude that was common throughout the district.

With high levels of trust, a clear encompassing interest, and social relations that were close and smooth, Baures's civil society boasted a high level of institutional coherence and the ability to involve the people in their local government. Its geography may well help to explain these characteristics. Isolated by large plains that flooded half the year, its only reliable link to the rest of Bolivia was by air. With only 5,133 inhabitants, and outside Bolivia's main west-east migratory flows, it was made up of a microsociety with its own rules, traditions, and social patterns of interaction. Its stable population changed little from year to year, and its inhabitants knew that conflicts with their neighbors would not go unnoticed, nor become much diluted. With only the most limited of outside recourse, *Baureños* got along because they had to.

In Atocha, Porongo, and Sucre, by contrast, deep-seated ethnic and cultural differences had significant implications for the social dynamics and organizational abilities of civil society. In Sucre the major difference was between rural and urban sectors. The former was a large but fairly uniform area of 103 rural communities populated by peasant farmers who spoke Quechua before Spanish and worked their own land using mainly premodern methods. The latter was a highly urbanized, Spanish-speaking, indus-

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trial and service economy where migration over the past 15 years from the western highlands, the eastern lowlands, and a large stream of students from Brazil had relentlessly pushed the city's boundaries outward and profoundly changed its ethnic composition. This was reflected in the city's linguistic makeup, where only 32 percent speak Spanish exclusively, 11 percent a native language, and 52 percent Spanish plus a native language. Unlike other Bolivian cities, Sucre lacked strongly marked social strata; the city was abundant in the middle and working classes, and had almost no rich inhabitants.[79] But the differences between urban and rural Sucre were dramatic nonetheless, and the district was essentially two municipalities—one agricultural and socially homogeneous, the other (post-)industrial and socially mixed.

Like Sucre, Porongo had also seen large influxes of migrants during the past two decades, in this case from Chuquisaca, the valleys of Santa Cruz, and the western highlands. Although the district was older than the city of Santa Cruz, most of its rural communities were formed recently by migrants from the west, and social heterogeneity was high. Entire villages of recently arrived *chuquisaqueños* alternated on Porongo's map with villages of *orureños,* and others where provenance was mixed. Many recent arrivals spoke Spanish quite poorly and often had significant trouble communicating with each other when their native languages differed. Language barriers were compounded by differences of attire, diet, and religion, to the point where *porongueños* commonly regarded each other as foreign, and mutual suspicion impeded collective action. This was especially true of the *residentes,* whose antipathy toward *colla*[80] migrants exceeded that of the town's native inhabitants.

Atocha suffered public divisions of comparable magnitude, though of a very different character. Local society was divided between cooperativist mining communities, subsistence farming communities, and a market town that served both. Each had its own traditions and history, and its own forms of organization. The population of rural villages was fairly stable: Quechua-phones who spoke some Spanish, with little in-migration and a small but steady outflow. Miners were almost entirely recent migrants from throughout western Bolivia who preferred Spanish to their native tongues and were ethnically mixed. And the town, which also preferred Spanish, contained a significant floating population of traders and salesmen that waxed and waned as mineral prices rose and fell.[81] While town dwellers organized themselves into long-standing neighborhood councils,

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and mining communities mobilized around the officials of their elected cooperative, rural farmers had only weakly adopted the local institutions of the peasants' union, and a number of villages had no representative institutions at all.[82]

The constituent groups in all three districts faced divergent economic incentives and priorities; in none was there an encompassing interest around which society could rally. Atocha's miners depended fundamentally on the price of minerals for their prosperity, while its farmers operated in a separate economy with little surplus production and little trade with the mines or town. The town sold the miners supplies and bought their product, and hence shared their interests while largely ignoring the countryside. The situation was similar in Sucre, where the city's scale and sophistication isolated it even more from its rural hinterland. If Atocha turned its back on the countryside, Sucre was hardly aware that it existed. "The villages—they're screwed," Fancesa's general manager asserted, "because of their own characteristics."[83] Only in Porongo were the interests of town and countryside broadly aligned, despite having the most comprehensively mixed population, across both town and villages, of the three. Here town and country alike comprised a single, agricultural economy, richer and more fertile than the other two, which sold its surplus to the nearby city. The town served the agricultural hinterland, and what was good for the latter was good for the former. It was thus all the more striking that this latent encompassing interest did not assert itself but was undermined by interloping *residentes* with fundamentally different priorities who nevertheless managed to dominate local government.

Unsurprisingly, trust was at a low ebb in all three districts. In Porongo social differences were simply too great, and the population too unsettled, for trust to have developed among divergent communities. And in Sucre the lack of contact between contiguous populations prevented trust from being born. Urban leaders were largely unaware of the concerns of the villages, and rural leaders complained that municipal officials refused to see them when they visited the city.[84] But Atocha was the most extreme case, where a lack of trust between villages and town became active distrust where mining communities were concerned. At Chorolque, for example, miners took project evaluators from the Social Investment Fund hostage for two days, demanding that a delayed water project be approved for construction.[85] With a history of militancy and direct political action, Atocha's

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miners did not believe the assurances of their local and national authorities, and possessed the means to take matters into their own hands.

With low trust, a subverted encompassing interest, and levels of heterogeneity so high that many of its people could not speak to each other, Porongo's civil society suffered from institutional weakness and little ability to mobilize around a goal. Although some of its civic leaders were determined and knowledgeable, the social body had too many cleavages to coalesce, and as a result lay dormant before local authorities, unable to initiate policy discussions or defend its interests. In Atocha, the miners stood alone in their coherence and organization, much more involved in the selection, design, and execution of public investment projects than farming or urban communities. Among these three there were low levels of trust, little interaction, and no encompassing interest. Hence civic mobilizations were of and for miners, and Atochan society as a whole was dysfunctional. In a broadly similar pattern, Sucre functioned for all intents and purposes as two independent societies, each in its own way internally consistent. Urban society was able to overcome significant heterogeneity to organize itself reasonably effectively around neighborhood priorities. Rural society, by contrast, had far fewer social differences and much stronger institutions. But with low levels of trust between the two and little in common beyond the municipal budget, their interaction—such as it existed—took the form of a zero-sum contest for public investment that urban groups were strongly placed to win. Sucre's society, as a collective, was dysfunctional.

Desaguadero and Guayaramerín offer social panoramas similar to the previous three, while Sipe Sipe stands out for its relative homogeneity. Located in the fertile valleys of Cochabamba, Sipe Sipe was an agricultural municipality centered on a market town. Its population spoke Quechua and Spanish throughout the district, with no apparent ethnic or cultural divides between town and countryside beyond a tendency to favor Spanish in the former. Interestingly, the communities of Sipe Sipe assumed similar organizational forms regardless of whether they were urban or rural. Although local respondents referred to *comités cívicos* or *juntas vecinales* in urban areas and the peasants' union in the countryside, their underlying structures were very similar, with *secretarios generales* for leaders, and officers elected according to a rotating system throughout. In Desaguadero, however, the difference between urban and rural communities was

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significant. The district was composed of eleven rural communities[86] where Aymara and (some) Spanish were spoken, and two urban associations where Spanish prevailed. Rural communities were organized into either traditional *mallkus originarios* or local branches of the peasants' union, as is common in the region. Albó et al. describe them this way.

> [These institutions] are a form of social expression and a process of collective decision-making that surprise the outsider with their degree of participation and democratic respect. . . . They operate more by consensus than by majority vote . . . [and have a] highly evolved system of jobs and authorities that organize the internal life of the community . . . and assure its articulation with society at large.[87]

The two organizational forms are functionally very similar, as to a great extent union authorities took on the duties of the preexisting indigenous authorities during the revolution of 1952–53; name changes were largely semantic, and at the community level the underlying participative social structures remained.[88] Desaguadero's urban associations, by contrast, featured leaders elected by majority vote and the hierarchical structures typical of modern representative democracy. But the difference did not end there. The town, unusually, was split between two different organizational forms: a neighborhood council and the Comunidad San Pedro, each comprising roughly half its 2,000 inhabitants.[89] These structural differences were reflected in Desaguadero's social dynamics. Though they professed to work well together, distrust was evident between the two communities of the town. And the subsistence farmers and fishermen of Desaguadero's rural villagers reported no contact with their urban peers, and no participation in larger municipal affairs beyond "their" school or water project.[90] Meanwhile, urban GROs—heavily involved in municipal business alongside their local government institutions—were indifferent to the needs of the villages.[91]

Guayaramerín was made up of eight rural and two urban GROs, and though 85 percent of its population claimed Spanish as their language, many also understood Portuguese. Like Desaguadero, it had the highly mixed population of a thriving border town. But unlike it, Guayaramerín was the product of a migratory boom that multiplied its population 13 times during the previous half-century.[92] As a result it was a relatively new town, the sum of many cultures and ethnic groups, with relatively little unity among its di-

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verse population. "There is mutual tolerance here," said Sr. Ana of Caritas, "but the people don't relate much among themselves. Each group celebrates its own feast day."[93] It was also a "very complex society," where enormous wealth rubbed shoulders with abject poverty,[94] and drugs, prostitution, and alcoholism abounded.[95] New social organizations were slow to form in a context of high demographic flux, which provided local politicians with a valuable opportunity. When community groups finally did organize, it was at the instigation of local government. But rather than catalyze the sort of social self-organization that has been the rule throughout Bolivia, the government of Guayaramerín provided a channel for political parties to penetrate a weak and easily divisible civil society during GRO formation and so colonize civic institutions for political ends.[96] The secretary of the Chamber of Commerce described the situation this way.

> The GROs are terrible here . . . they're totally politicized. They make midnight deals in search of payoffs. . . . GROs don't consult their members before making decisions—rather the leaders meet with the parties, receive money, and then commit their misdeeds.[97]

By falling under the sway of the parties, GROs became complicit in the endemic corruption of Guayaramerín's local government. Such collusion was both a symptom of and contributing factor to the lack of social mobilization in Guayaramerín. Had organized civil society preceded politics, it might not have been coopted so easily or so thoroughly by the parties. Instead GROs became political franchises that stifled civic participation in government. "The people are like children here," the 1º de Mayo community explained. "They receive a pittance [from local government] and are happy with that."[98] Lacking an autochthonous organization and excluded by their civic leaders, the people of Guayaramerín were passive before the government they had elected.

Both Guayaramerín and Sipe Sipe benefited from an encompassing interest. Agriculture provided this interest in Sipe Sipe and bound the farming countryside to its agricultural market town. Good years for the farmers were good years for the townspeople too, and all tended to benefit from the same policies. The situation was similar in Guayaramerín, where urban and rural sectors were intertwined in a modern agribusiness economy, as is explained in detail above. This gave city and countryside similar interests and facilitated collective action for the progress of the municipality. "The devel-

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opment of this town has been through the money of its own citizens," reported the parish priest. "They pooled their efforts to form their own water, telephone, and other cooperatives" in order to provide basic services and improve the local standard of living.[99] These efforts were spearheaded by the city's well-organized business elite, which formed a powerful, all-party, pro-Guayaramerín lobby. They benefited from growth throughout the district and hence favored a comprehensive local development. If public services were better in richer areas than poorer ones, this was due as much to the financial constraints of cooperatives in a context of rapid population growth as to discrimination by the governing class. By contrast Desaguadero, with a much smaller and less developed urban center, consisted of two distinct economies, and hence two separate sets of interests. The town was dominated by transport and related businesses that serviced the large volume of trade that daily coursed through it; the countryside hosted subsistence agriculture that sold little to, or through, the town. Hence while the villages were turned inward, the town looked out to Peru and La Paz, and there was no encompassing interest for the two to share.

In questions of trust, Guayaramerín was similar to Porongo, while Desaguadero was similar to Sucre. Guayaramerín's migrant peoples were simply too diverse and too unaccustomed to each other for trust to blossom among them. And the politicization of its civic institutions served to replace the logic of cooperation that operates at their core with a logic of (political) competition. Thus, on the few occasions when the practice of local government brought Guayaramerín's social groups into contact, it was not so much to organize collective action as to do battle on behalf of their political patrons. A process that might otherwise have promoted trust served instead to undermine it further. And in Desaguadero, social and economic diversity was magnified by isolation. Although they lived next to each other, its town and village populations had so little contact of any sort that trust was practically impossible. In Sipe Sipe, on the other hand, the situation was very different. With a culturally homogeneous and stable population, and a similar model of social organization throughout the district, the conditions were well established for trust to develop. And the fact that Sipe Sipe's GROs were able to coordinate their efforts outside the ambit of formal politics with the aim of overturning a politicized and unpopular mayor indicates that it did.

High heterogeneity and low levels of trust left society institutionally crippled in Desaguadero and Guayaramerín. In the latter case, a latent and

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potentially powerful encompassing interest was counteracted through the active subversion of society's organizational structure by political parties intent on widening the sphere of political competition. In the former, civic institutions with relatively high ability and legitimacy in the countryside, and medium ability in town, had almost no interactions with each other, and—devoid of mutual trust—were, like Sucre's, collectively dysfunctional. Of the three districts, only Sipe Sipe boasted the conditions necessary for a coherent and active civil society to emerge. Its younger GROs dated from the 1950s agrarian reform period, while the older ones trace their history back to the pre-Conquest villages of the Inca and Tiawanacota civilizations. With a homogeneous population, widespread civic trust, a clear encompassing interest, and strong civic traditions of participation in community government, Sipe Sipe's GROs enjoyed high levels of popular legitimacy and an ability to mobilize residents for collective action. Given this, its rank among the lowest tier of municipalities is surprising. As we shall see below, this can be explained in part as a transition dynamic: GROs were still learning to use the (new) system of municipal government to their advantage, and once they did the persistence of unresponsive local governments would become very much more difficult.

The Local Governance System

This section turns to the question of how the economic, political, and social factors identified above interact within the confines of the legal-political framework to determine the quality of local governance. Although these factors account for the deep logic of local government, they operate through the proximate causes of governing institutions. Hence this section will also trace how economics, politics, and society jointly determine the quality and character of the municipal council, oversight committee, and the local executive branch (mayor) in each of our seven municipalities.

Baures

Baures was a small, ethnically and culturally homogeneous municipality where both town and countryside were bound together in a single agricultural and cattle economy. Small to medium-sized farms predominated, and there were no conspicuously powerful economic interests. Such a small, iso-

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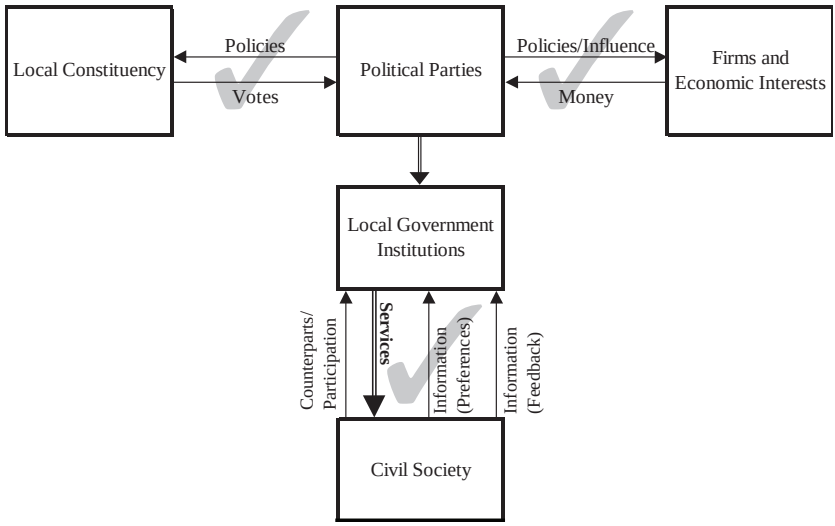

Fig. 8. The local governance system in Baures

lated district provided its residents with strong incentives to get along, and life in Baures had a familial, cozy air. Civil society was well organized into urban and rural community associations that had high organizational ability and benefited from broad popular legitimacy. As a result, these associations were able to both involve the people in the governance process and engage with official institutions in town on an equal footing. Politics was quite competitive, and party identity was strong, perhaps in part because of a previous administration widely reviled as corrupt and ineffective. All of these factors combined to produce a high-quality local governance system that was focused on voters and responsive to their needs. In terms of the model of chapter 6, there was balance between the political markets for votes and influence and the logic of social representation as mediated by Baures's civic associations (see figure 8). The inherent tension between these three elements created a self-limiting dynamic in which the pressures of local interest groups were contained within the bounds of political competition and did not spill into the machinery of local government or erupt as civil strife. This served to create responsive institutions of local government.

Thus the municipal council was responsive and highly attuned to local needs. Respondents affirmed that the council met with them regularly, and commented approvingly of its work with the mayor to solve local problems

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and respond to their demands.[100] "The councilmen respond mostly to the people," said the leader of El Cairo, echoing the general sentiment. "They don't take account of who voted for them and who didn't, but rather of the needs of everyone."[101] The mayor, too, was held in high esteem throughout the district. First elected in 1996, he had been confirmed in his post the following year and was judged far superior to his predecessor. Like the council, the mayor was credited with planning projects well and distributing municipal resources equitably, for the first time including the district's small villages.[102] Last, the oversight committee was described as well-intentioned and moderately active but lacking the funds to perform its role properly. "It's a job that demands a lot, but they aren't paid anything," explained councilman Oni Antelo.[103] Nonetheless the OC was credited with successfully mediating local demands during the yearly budget planning exercise, and more generally with consulting townspeople and villagers before acting. Perhaps because of the legitimacy it so generated, the only time it opposed municipal policy it won.[104] Together, these three institutions produced good-quality local government in Baures that was accountable to voters and focused on their needs instead of politics,. The generator incident exemplified this. It is not surprising that *baureños* were satisfied with the quality of government they received and that they rated public investment projects highly.

Sucre

Sucre, in comparison a huge, diverse, and highly urbanized district, was in some ways also a sleepy municipality. Its two major social divisions were: (1) city versus countryside, and (2) native-born *sucrenses* versus recent (urban) immigrants. Civil society in the countryside was well organized by village associations, keepers of the traditions and identity of Sucre's peasant farmers; city society was organized by neighborhood councils and other civic associations that, though many were still in the process of formation, enjoyed reasonable levels of legitimacy among their members. But between the two there was essentially no contact and very little in common, social, economic, or otherwise. As an institutional whole, civil society in Sucre did not work. The local economy was similarly divided between a hinterland of subsistence agriculture and an urban economy of services and small to medium-sized industry, with little integration between the two. Surprisingly given its size, the city lacked large firms or other dominant private in-

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terests. To a large extent this was reflected in Sucre's politics, which was uncompetitive to the point of being inert. Parties did not represent societal interests or sectors. Rather than compete on ideas in the foreground of municipal life, they preferred to remain in the background, carving up official patronage among themselves in a broad cohabitation, behind the facade of a popular mayor from a minor party. With political debate stifled, politics became a cozy enclave from which politicians had little incentive to emerge.

In terms of the model, the cash market for influence between parties and private interests was very weak, while the market for votes was comprehensively subverted by a noncompetitive party regime. The division and weakness of civil society completed local government's isolation from local needs and from incentives to meet them. Figure 9 illustrates Sucre's local governance system. I leave similar illustrations for the remaining districts to the reader's imagination. Together, these factors produced a curious mix of competence and detachment in city hall. On the one hand, the institutions of government were isolated by an antidynamic in which no one fought to control them. But on the other hand, a capable and even sophisticated municipal administration toiled at the center of this vacuum to ensure that local services never fell below minimally acceptable levels. Perhaps because of its history as a center of government under both the Spanish and the republic, Sucre had developed a tradition of competent municipal administration, with well-trained operational officials, some of the best budgeting and IT systems in Bolivia, and an unusually high rate of local tax collection. Local government in Sucre was thus a well-maintained but rudderless ship, drifting without direction.

The municipal council certainly did not provide leadership. Independent observers, unenthusiastic about their government, reserved their greatest scorn for Sucre's councilmen, who were judged almost universally to obey their parties and ignore voters. "They are unprofessional and incoherent," reported the manager of FANCESA. "They're interested in other things, not the city or municipal government."[105] Communities urban and rural alike asserted that councilmen were poor quality and did not represent them or their aspirations. *Sucrenses* had a higher opinion of their mayor, though opinion was divided between city and countryside. Urban dwellers appeared to be reasonably content with their local executive, while rural villagers reported that municipal resources never arrived; they judged their condition to be as bad as before decentralization or worse, to the point where some wanted to secede from the district.[106] While the mayor pursued

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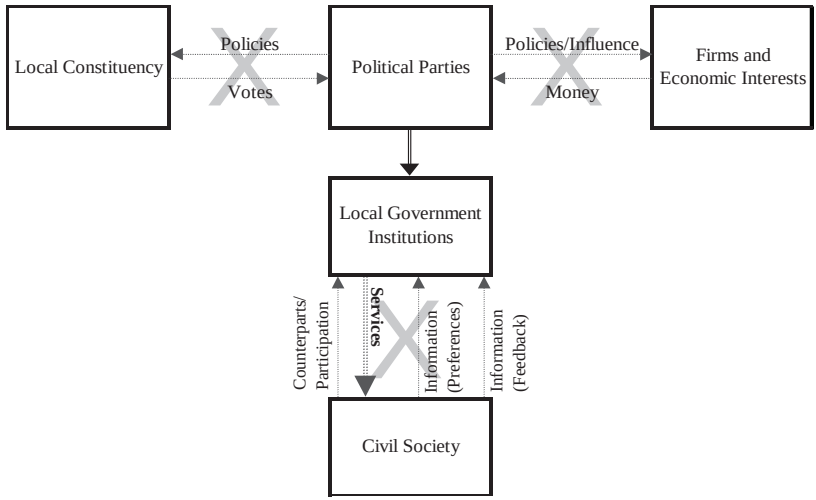

Fig. 9. The local governance system in Sucre

important investment projects in the city, he was criticized for offering the villages "little patches that distract them but don't satisfy their needs."[107] The weakness of civil society meant that most rural (and many urban) communities did not have the capacity to draw up project plans or lobby government to answer their most pressing needs. This, along with Sucre's political vacuum, meant that the mayor faced few binding external incentives and hence responded to public needs largely on account of his own preferences.

Instead of seeking to overcome the urban/rural divide, government institutionalized it by establishing an independent oversight committee for each. While this might at first appear to be a reasonable response to heterogeneity, its effect in practice was to weaken civil society still further before institutions of government that had not, after all, themselves been divided. In any event, both OCs were poor. The urban consensus held that its OC was ineffective, repeatedly failing to provide project oversight, with only its vice president complying with his duties. The performance of the rural OC was more variable, suffering from its own weakness and the hostility of some midlevel municipal authorities; the few good reports it merited from village leaders stood out among a mass of negative opinion. Thus a surprisingly sophisticated and effective administrative apparatus coexisted along-

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side an ineffective municipal council, a weakly accountable mayor, and a divided OC. It is not surprising that public investment responded only tepidly to popular demand, and that satisfaction with local government was only lukewarm. Sucre's investment planning system was symptomatic of its local government: the municipality employed a well-designed, comprehensive, iterative planning procedure that carefully incorporated participation throughout. But it also took advantage of its influence and technical competence to distort some communities' requests arbitrarily. Unusually for Bolivia, Sucre's municipal government was the largest local actor. It had significant power over civil society, not the other way around, and this showed in the way the district was governed.

Porongo

Small, rural, and poor, Porongo was in some ways similar to Baures, with an economy dominated by small family farms, no industry, and no powerful interests in residence. But its population was much more mixed by years of migration, to the point where most *porongueños* were recently arrived Quechua speakers who did not share the local diet, religion, or other traditions. Nonetheless conflict was rare among these diverse groups, who shared very similar economic interests. What might have been a quiet, consensual public life among Porongo's residents was instead riven and distorted by its *residentes,* a powerful and relatively wealthy group of ex-*porongueños* who lived in the industrial economy of nearby Santa Cruz and ran the municipality from their urban enclave. They used their money and status to dominate local politics, which accordingly turned on their particular concerns. By and large these were the children of the leading lights of the town, who left to study and work in Santa Cruz. They assuaged feelings of rootlessness or disorientation in the city by conjecturing a happy, bucolic past consisting largely of games and traditional crafts set in a rural idyll. This they then sought to recreate and impose on the actual residents of Porongo. Hence the Civic Committee for Women, composed of *residentes,* hoped soon to offer local women courses in "dress- making, pastry-making, knitting and traditional artisanery," its president reported.[108] "There's no inventory of the town's cultural patrimony," she added worriedly, explaining her proposal for a museum of local culture. In effect, the *residentes* sought to turn a dynamic community in the midst of significant economic and demographic change into a museum of their imagined past, a sort of

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zoo filled with the traditions and symbols they themselves had left behind. Not surprisingly, this was resisted by a population that never knew such a past and who did not want it as their future. The real interests and problems of rural Porongo were unable to penetrate this evocative haze, and in this way the *residentes*' fixation with the town's *plaza central* displaced the agricultural priorities of a rural economy.

The urban elite was able to get away with this because of the fragmented nature of Porongo's civil society and because they completely dominated its politics. The district's many and diverse migrant groups distrusted each other and, often too weak to organize among themselves, were unable to establish broad civic associations that spanned the district's villages and ethnicities. Thus splintered, civil society could neither effectively represent grassroots demand to local government nor mobilize popular support against the ruling elite. Meanwhile local politics—completely uncompetitive—offered no recourse. Local parties were all colonized by *residentes,* and all allied together in the municipal council. With no political opposition, party dynamics in Porongo consisted of a sharing-out of power among the *residentes,* something facilitated by high voter absenteeism in the countryside. In terms of the model, the cash market for influence between parties and private interests was very strong and in turn undermined the market for votes and policies; the entire political system, in effect, represented a single narrow interest group. At the same time, the logic of social representation was interrupted by civil society's institutional weakness. It is thus not surprising that local government in Porongo was neither representative of nor responsive to the people.

Thus the municipal councilmen, of whom four out of five lived in Santa Cruz, were widely judged untransparent, oblivious to local needs, and primarily concerned with their own or their parties' interests.[109] They held more council sessions in Santa Cruz than Porongo and were accused by many of conspiring to exclude *porongueños*—including the OC—from municipal business by keeping the times and places of their meetings secret. The mayor, on the other hand, was an attractive and expansive former soccer player from Santa Cruz whose populist instincts took him deep into the countryside regularly. Public opinion credited him with good intentions but criticized his officers as poor and unaccountable, and reproached his administration more generally for operating in a desultory, capricious manner. Much of this was blamed on politicians' residence in the city, which complicated coordination with officials in town and helped obscure responsibility.

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But it is notable that neither was subject to external political or economic constraints that might otherwise have modified their behavior. Last, respondents agreed that the oversight committee was lucky to have a president who was honest and hardworking. But the mayor and municipal council worked equally hard to obstruct him and exclude the OC from official decision making, denying him the office to which he was entitled and refusing to provide transport. Given no resources, and civic organizations too weak to either support him or oppose the municipality actively, the ability of this modest farmer to hold government to account was minimal. In the words of one community leader, "They've left him all alone."[110] As a result, and despite a healthy moral authority, the OC in Porongo was weak.

With a weak OC, a terminally unresponsive municipal council, and a mayor with more will than ability to satisfy voters, it is surprising not that the quality of government was mediocre, but rather that it was not worse. This can largely be attributed to the mayor's desire for popularity, which led him to make investments that—community leaders agreed—satisfied some of their needs and led to modest improvements in public services. Such is the value of leadership in a governing system that otherwise would, in all likelihood, have performed even worse.

Porongo's bridge project exemplified the system out of which it came. This, the star investment in the municipal portfolio, was set to connect an uninhabited point 15 kilometers east of the town with the exclusive neighborhood of Equipetrol in Santa Cruz. But local farmers sold their produce in a different part of the city, for which this bridge was not useful. And with no extant road connecting the town to the bridge site, it was not difficult to judge the bridge either a prestige project or a piece of land speculation, designed to urbanize the near bank of the river and multiply property prices. In either case, those who stood to benefit were the *residentes* and not Porongo's rural population.

Atocha

Atocha sits alone on the third rung of municipal quality, with an economy diversified to the point of disjointedness. Local economic actors were almost entirely small-scale and divided cleanly between cooperative mining and subsistence family farms, with little to connect the two. As the town's economy was built around mining services and trade in minerals, urban interests were more receptive to miners' demands than those of rural farmers. This

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bias was compounded by high electoral absenteeism in the countryside, which gave villagers little voice inside local government. The political system as a whole was uncompetitive, with a three-party governing coalition holding three-quarters of the vote and no active opposition. It was also primarily an urban phenomenon, focused on control of the apparatus of local government, and thus intrinsically sterile. Real political interaction, in the sense of genuinely opposed interests competing over resources, occurred sporadically outside formal politics, in Atocha's streets and plazas, when the miners mobilized and marched on city hall in defense of their interests. Civil society was also clearly divided in Atocha, between highly organized immigrant miners with a large capacity for mobilization, poor and badly organized native farmers in the countryside, and the merchants and employees in town who were relatively well-off and well-placed to lobby local government.

The irony of Atochan politics was that the two groups with significant power to influence policy and capture resources—miners and merchants—were precisely the groups most dependent on the highly cyclical mining industry and hence the most willing to abandon the district when the industry slumped. Recent history had illustrated this dramatically, with Atocha's mines abandoned wholesale in the late 1980s, followed by an upswing a decade later that more than doubled the district's population. Hence those who were most adept at securing public investment were also those with the least incentive to invest in their communities themselves. Meanwhile those who combined the worst level of public services with the clearest long-term interest in the prosperity of their communities—Atocha's peasant farmers—suffered the weakest ability to mobilize to press local government with their needs. With sterile politics and a civil society that was divided and incoherent, it is not surprising that Atocha's government performed poorly. Local public opinion reflected this. In terms of the model, the cash market for policies and influence operated normally, while the primary political market for votes was in large part strangled by electoral absenteeism and an uncompetitive party system. The divided and institutionally crippled nature of civil society completed a governance system that was unbalanced and inequitable. Hence public resources and attention in Atocha were skewed toward areas where they were least needed (the town) and least sustainable over time (the mines), while ignoring those areas (rural villages) where need was greatest and investments most likely to prove sustainable. The municipality went so far as to allocate resources to miners from adjacent districts before its own villagers.

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The failure of Atochan politics was seen most clearly in its municipal council. The least impressive of Atocha's institutions of local government, it was largely inactive and headed by an illiterate president. Councilmen seemed rarely to leave the town, and a strong public consensus held that they responded primarily to their parties "due to their own ignorance."[111] With little incentive to tend to villagers' needs, the council focused on urban issues and the simplistic politics of municipal patronage. In the words of the OC president, "Initiatives aren't followed up from year to year. There's little coordination among parties and between governing periods. This is bad for projects and for municipal work."[112] The mayor, on the other hand, was regarded as well-meaning and honest, but he lacked administrative ability and leadership. Although he made special efforts to reach out to rural villages, the combination of his own background and the highly partial political environment in which he operated led him also to favor the town and miners.

In institutional terms, the oversight committee stood between the mayor and municipal council, divided like the society it represented. Of its six members, three worked conscientiously to represent civic opinion in public debate, but two members were inactive, and a third—the vice president—had escaped to Potosí. A lack of resources and the presence of only one member, the secretary, in the town further hampered the OC's effectiveness. Nevertheless, community leaders agreed that the OC was effective in overseeing and modifying government policy, especially in the town and main mining centers. But transport to farming villages was more difficult, and there its effect was scarcely felt. Thus government in Atocha consisted of a reasonably competent mayor working with an ignorant and ineffective municipal council, and an oversight committee that was fairly capable but faced severe institutional limitations. The result was mediocre policy-making that skewed investment toward those with the loudest political voice and ignored those with greatest need. Like Porongo, this case highlights the importance of leadership: with a compromised system of local governance and weak public institutions, Atocha was pregnant with the possibility of even worse government. That it was merely mediocre is testament in large part to the mayor's goodwill and the OC president's leadership.

Desaguadero

Desaguadero heads the trio of worst performers in our group. A rich border town with its own abundant revenues, its government was lucrative to

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control, and local businessmen vied to run it. But despite a large and valuable trade with neighboring Peru, Desaguadero's main economic interests—transport firms and related businesses that serviced cross-border trade—were small and medium sized, with no dominant actors. The fact that the most important businesses were mobile implied that these interests, by and large, were not entrenched, and hence more sensitive to the costs of political involvement than elsewhere. Socially Desaguadero was really two municipalities, with two economies and two civil societies quite disconnected. Rural Desaguadero, though well-organized at the village level, was too poor to mobilize itself at the district level and hence remained splintered and weak in the face of urban society. The town's GROs, by contrast, were better-financed and—living on the municipality's doorstep—found it much easier to catch government's attention. They were able to dominate civic discourse to the exclusion of rural concerns and interests but were themselves divided between two organizational forms, which sapped their institutional strength. Last, politics, in the sense of ideology or national party dynamics, barely mattered in Desaguadero. Local politics was about occupying power, and although a formal opposition existed, politics was not competitive. Rather it was an accommodative pursuit free of substantive political discourse, where the sharing-out of spoils was punctuated by periodic elections in which a changing business elite sought to gain control of the instruments of power. With no political accountability, limited social oversight from urban areas, and none from the countryside, local government was free to be manipulated at will by the interest groups that captured it, responding grudgingly to urban demands and ignoring those of the villages. Local governance was worse in rural areas than in town, and overall quality was poor. In terms of the model, the cash market for policy influence was healthy and dominated the political market for votes, itself undermined by an uncompetitive party system. Meanwhile civil society, twice divided, was too ill-informed and too weak to hold politicians to account. It is thus not surprising that disappointment with local government was rife at the grassroots level.

The municipal council exemplified local government's failings. A broad consensus held that it was thoroughly politicized, attuned to the needs of the parties and insensitive to its voters. "It's all politics," said the leaders of Titijumi and Huancollo, describing the council's work.[113] Tellingly, not even townspeople could explain how it functioned, though some evidence suggested the council was cowed and manipulated by the mayor. The mayor

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himself and his staff received bad reviews from his constituents, though a number attributed this to his short time in office. Subject to little social or political oversight, he could do as he pleased, as the town's 70 percent share of the investment budget—twice its share of population—indicated. But so far he had done little. Last, the oversight committee reflected the lay of the district. Its presidency alternated between the two urban GROs, never going to any rural member, and hence the OC—like the municipal council—remained in the grip of the town. This, however, was less significant than it might have been, as the OC was convincingly ineffective. Some residents accused them of ignoring their duties, and others of taking bribes to do so. When I arranged to interview its president he did not arrive—I later found him with his (OC) officers on a street corner, literally falling down drunk.[114] The vice president, to whom I did speak, professed ignorance about one of the town's largest investment projects. "I demand to know which are our most important objectives," he thundered at me, "as soon as possible!"[115] With the institutions responsible for oversight and accountability either politicized or suborned or both, leaving the municipal executive free of external discipline, local government was no better than mediocre and possibly corrupt, and largely ignored its residents' needs.

Guayaramerín

Guayaramerín was a complex combination of extremes of wealth and power in a context of high social diversity, which produced a very particular political dynamic. The city had been transformed by the migratory boom of the postwar period, which multiplied its size and filled it with people and cultures from throughout Bolivia. With different languages and traditions, Guayaramerín's many ethnicities jostled each other in the streets and markets of the city but found it difficult to trust each other or even, in some cases, to communicate. This impeded cooperation at the neighborhood level, and civic organizations were slow to form. When they finally did, it was under the tutelage of local government. This effectively allowed Guayaramerín's political parties to intervene in community formation for the sake of partisan advantage. Civil society was thus party-politicized, making GRO leaders beholden to political masters and neutralizing community groups as an independent source of authority in the district. In Putnam's terms, the horizontal linkages of civic organizations were instigated by political parties for explicitly partisan ends, rendering them unable to

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conduct effective oversight of politicians, and unlikely to promote their constituents' interests in the political process. Politics, meanwhile, was the preserve of local power brokers, defined by the agreements they reached, and not the domain of collective action or action on behalf of the collectivity. There was little ideology and little adherence to national strategies; this was not a politics of ideas but rather of power and of influence. In part no doubt because society was fractured, the people of Guayaramerín had a weak tradition of political participation. The elitist conduct of policy sapped the legitimacy of politics and people's belief in the possibility of voice. Electoral absenteeism was high. Like Atocha, this in turn facilitated the efforts of a business and political elite to keep themselves in power through a variety of means.

But the defining feature of Guayaramerín was its economy—rich, diverse, and thoroughly dominated by a small coterie of powerful businessmen who also ran the city's important public and private institutions. Hence the president of the municipal council was also head of the telephone cooperative, the mayor was a prominent timber merchant, and the head of the local ADN owned two of the district's three television stations, along with several agribusiness and transport concerns. Guayaramerín was thus run by a probusiness, of-the-business alliance primarily interested in the growth of the local economy, as well as in distributing municipal business among themselves. They admitted little public debate before key municipal decisions and kept official accounts, investment plans (including the OAP), and other records very much out of the public eye. Once in power they left political divisions aside and behaved as a clan, providing no restraint on each other's actions and ignoring each other's transgressions. They adhered to a trickle-down philosophy and were more interested in accumulation than in actively oppressing any group in particular. But because their cause was pro-growth and their interests encompassed essentially the entire local economy, private accumulation had historically led to public accumulation too.

This business elite proved adept at developing Guayaramerín during the decades when it was a forgotten provincial town with few public resources because it was able to marshal private resources for the collective good when the question at hand was also a business priority. Thus electricity and telephone service were both brought to the city through cooperatives led by prominent local businessmen, and much street-paving and the decoration of the central plaza were made possible through private contributions. But

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this model of "governance," which relied on informal contacts and private agreements, proved deficient at running a more complex municipal government that presided over a large rural hinterland. The advent of decentralization brought the district significant public resources, the administration of which demanded transparency and extensive consultation. And the business elite was not good at this. In terms of the model, the primary market for votes and policies was weak on account of an elite-dominated, uncompetitive party system. The cash market for policies and influence, on the other hand, was very strong indeed. And the logic of social representation was comprehensively undermined by the political capture of community organizations. Thus Guayaramerín's local governance system was severely unbalanced, and it is no surprise that the municipality proved biased toward the city and insensitive to local needs.

Guayaramerín's municipal council was in some ways the institutionalization of its ruling elite, populated as it was by prominent locals. But whatever their abilities as businessmen, as councilmen they rated very poorly. "The priest," said one observer, referring to the MBL councilman, "is a demagogue. . . . The rest of the council is useless."[116] Popular opinion held that they responded to their own interests and to those of their parties, and even the council president conceded that their parties told them what to do.[117] The leader of the 1º de Mayo community described the effects of such politicization: "When we go to see them [councilmen] in Guayaramerín to request something or discuss some concern, they ask us what party we belong to. If we answer their own party, then we're attended very well."[118] The mayor appeared to be somewhat more effective and less aggressively political, although he benefited from the comparison with a detested predecessor. The popular consensus held that he had brought about some improvements in the city but had had little or no effect in the countryside. A number of observers accused him of promoting conspicuous infrastructure projects while ignoring the more important needs of the populace.[119] "There are big problems here, and the municipality is dedicated to small things," said the parish priest.[120] Many others reproached him for refusing to meet with GRO representatives and obstructing participation generally.[121] To the extent that the mayor cultivated an image of effectiveness, this was largely a facade, a shield behind which the ruling elite could strike the serious deals implicit in running a large municipality.

Last, Guayaramerín's oversight committee was different in its overt politicization from those of our six other municipalities. Political parties

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largely determined its composition through their manipulation of GROs, OC candidates ran political-style campaigns, and its president promptly identified himself as an ADN man. But most important of all, city hall held the power to change the OC leadership if it chose, and had wielded it in the past.[122] Thus compromised by the parties, the OC was neutralized as an independent authority and had little say in official decisions. With a politicized and unresponsive municipal council, a posturing mayor who obstructed popular participation, and an oversight committee infiltrated and neutralized by political parties, popular dissatisfaction with local government was virtually assured, and was forthcoming. But city hall seemed oblivious to such considerations. The mayor shifted municipal alliances with ease after the ADN took power in La Paz, and the business of governing continued undisrupted.

Sipe Sipe

Our last municipality, Sipe Sipe, was different from the other worst-performing districts in several important ways. Unlike Desaguadero and Guayaramerín, it had a homogeneous agricultural economy in which the town provided markets and agricultural services for farmers in the villages. And with no *haciendas* remaining after 1953, the district lacked dominant—or even large—economic actors. But common economic interests did not lead to a government responsive to people's needs, and this was in part the fault of politics. Sipe Sipe's party system was uncompetitive, afflicted by demagoguery and an insider dynamic that allowed the mayor, when forced to resign under a cloud of suspicion, to swap jobs with the president of the municipal council and continue in government. Fairly low electoral participation rates facilitated such manipulations by the political elite to remain in power. In this way the political system was rendered unresponsive to popular concerns, and real, substantive political competition occurred instead outside formal politics, spearheaded by GROs and the oversight committee.

Sipe Sipe's civil society was well suited to this role, with strong institutional characteristics arising from a high degree of ethnic and cultural homogeneity that allowed it to mobilize around common goals effectively. Its civic associations were well-established, some from before the Spanish Conquest and others from the 1950s, with strong traditions of self-government and popular mobilization. But a local government both politicized

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and involuted failed to exploit its potential, and community groups had little participation in the planning or execution of municipal projects. This helps to explain popular discontent with Sipe Sipe's government, criticized throughout the district as unresponsive to local needs. It also explains why civil society was plotting to seize the reins of power and overthrow the mayor. Old, organized, and largely excluded from the local governance system, civic organizations had both the means to fight local authorities and the will to do so. In terms of the model, the secondary market for policies and influence, given feeble economic actors, operated weakly, while the market for votes and policies was disrupted by an untransparent, anticompetitive party system. And the logic of social representation, which should have flourished in a context of social coherence, was artificially disrupted by authorities who connived to stifle it.

The municipal council exemplified many of the flaws of government in Sipe Sipe. A highly politicized body, it was a forum for political intrigue and widely believed to be corrupt. Popular consensus held that councilmen obeyed first their own pockets and then their parties, before considering the needs of the voters. The mayor and municipal executive displayed similar characteristics, dictating which investment projects a number of communities received and excluding popular participation from the government process generally. "The municipality thinks the AOP is a sacred document," reported the leaders of Mallco Rancho.[123] Popular consensus held that government and public services had improved little or not at all since decentralization "because politicians cheat us [and] the municipality spends money according to its own convenience."[124] Last, the oversight committee failed to oversee municipal business adequately on account of its own ignorance and inactivity. When asked about a major water project almost on his doorstep, the OC president proved utterly uninformed. GRO leaders agreed that the OC did little to fulfill its official duties, accusing its leader of partiality to the mayor. With a mayor and municipal council that were politicized, unresponsive, and corrupt, and an oversight committee ignorant and complicit with the authorities it was bound to oversee, local government did not perform well. And the people of Sipe Sipe, naturally, were discontented. But the striking fact about the system of local governance in Sipe Sipe was the ability and willingness of its civic organizations to confront the problem directly. The decentralization law strengthened their hand by granting them control of the OC, which in turn gave them the means to challenge the mayor and a chance to overthrow him.

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Summary and Comparisons

Table 12 summarizes the main factors used in the above analysis. It does this by mapping the information in tables 9, 10, and 11 into three columns, which correspond to the following concepts: (1) openness and competitiveness in the local economy (vs. hegemony or dominance by a few firms/actors); (2) civil society's institutional coherence and ability; and (3) an open, competitive political system marked by political entrepreneurship and policy innovation. As is argued in the third section and demonstrated in the fourth above, these variables are key to explaining the quality of a district's governing institutions, and hence the quality of governance received. Mapping is done by assigning each municipality a value between one and five, where one is lowest (worst) and five is highest (best). While the value for each district is primarily based on that of the relevant column in tables 9–11, it also attempts to summarize the information in each table more generally. The schematization implicit in such notional values is a necessary compromise in order to present a large and diverse amount of information succinctly.

Together, these economic, social, and political factors determine the fourth column, the overall responsiveness and accountability of the local governance system. In simple terms, this captures the extent to which citizens are able to make local government do things for them, where government is construed to include the mayor, municipal council, and oversight

TABLE 12. The Local Governance System Summarized

Rank	Municipality	(1) Open and Competitive Economy	+	(2) Civil Society ICA[a]	+	(3) Competitive Politics	=>	(4) Responsiveness and Accountability of Governance System
1	Charagua	4		5		5		5
	Baures	4		5		5		5
2	Porongo	2		2		1		2
	Sucre	3		3		3		3
3	Atocha	4		2		2		2
4	Desaguadero	4		2		2		1
	Guayaramerín	1		1		1		1
	Sipe Sipe	5		4		2		3
	Viacha	1		2		1		1

Source: Author's interviews, observation, and other fieldwork.

Note: Columns 1, 2, and 3 summarize the information in tables 9, 10, and 11. Values: 1 = lowest, worst; 5 = highest, best. Viacha and Charagua added for purposes of comparison.

[a]Institutional coherence and accountability.

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committee. The column summarizes citizen's responses to a variety of questions put to them in my extended interviews. As argued in the previous section, the responsiveness of a district's governing institutions maps directly into people's perceptions of government quality, as given by their satisfaction with the public services and policy they receive. The ranking of municipalities in table 12 demonstrates this—rank is according to popular perceptions and closely tracks the values of column four. A comparison with table 8 provides further corroboration.

The obvious exception to this analysis is Sipe Sipe, where a mediocre level of government responsiveness and accountability is associated with performance that is significantly worse. In other words, the model predicts a higher quality of government than respondents reported. This is because the district possessed two of the three conditions necessary for good local government: a competitive economy and a high level of social coherence; but the third—a competitive local politics—was actively stymied by machinations of the mayor and municipal council. But Sipe Sipe's civil society, mobilized around a common goal, was taking the necessary steps to overturn the mayor. This implies that the local governance system, if temporarily diverted by the strategies of its officials, was in the longer term responsive to the demands of the people. Hence Sipe Sipe's low rank must be judged a transitory phenomenon—the district was likely to perform closer to the model's prediction soon.

A less obvious exception is Porongo, ranked by its respondents in the second tier of districts but with economic, social, and political scores that are significantly worse. Its combination of economic dominance by a small group of friends, a fractured civil society lacking trust, and an almost comically uncompetitive political regime should have secured it a place at the bottom of the table. That it did not is largely attributable to the populist instincts of its mayor. This illustrates the difference leadership can make, and the power of personality in a municipal system as systematically undermined as Porongo's. But it is instructive to remember the lesson of chapter 6: leadership is not entirely exogenous. The comparison with Sipe Sipe permits further refinement—leadership is likely to be exogenous only in the short term, but determined endogenously by municipal characteristics in the longer term. Unscrupulous political agents will tend to operate in municipalities where government oversight and accountability are crippled by economic monopoly, distorted political competition, or deep-set social antagonisms. Whereas in Sipe Sipe a responsive political system prepared to

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eject bad politicians who sought to pervert it, Porongo's dormant civil society if anything attracted them. Over time the quality of government in Porongo was likely to fall more easily than rise, dependent as it was on the quality of its leadership. Hence both cases are exceptions that prove the rule, confirming the value of the model.

Another telling comparison is between the Atochan communities of Chorolque and Villa Solano, or for that matter any of a number of unformed communities in Porongo and elsewhere. In the former, a preexisting social unit organized around a very strong economic incentive—the miners' cooperative—took on GRO responsibilities quickly and effectively, and was highly involved in project selection, supervision, and execution. Civil society in Villa Solano, meanwhile, was still asleep, relatively unorganized, and uninvolved in its own governance. This highlights the role of social organization per se, as distinct from demographic characteristics. It implies that a community can take advantage of existing social organizations established for different purposes to mobilize collective efforts in the interests of local government. The fact that the people of Chorolque were migrants from across the altiplano, and no community had operated there only a few years earlier, whereas Villa Solano was stable and homogeneous, underscores the point. But Chorolque also illustrates how the operational characteristics of the underlying organization can spill over into local governance, not always with salutary effects. In this case, the miners' strong tradition of political activism led them to take FIS officials hostage in order to demand further investments. The long-term effects of this action on local investment were unlikely to be positive.

Guayaramerín is notable as the only case where political competition preceded the organization of civil society. Politicians' success in colonizing community organizations there suggests that civic institutions must precede political parties if they are to act as checks and balances on their exercise of power. The logic of social organization must be different from the narrow logic of factionalism, patronage, and electioneering. Where parties literally precede civil society, they place themselves in a prime position to capture social groups as they are formed, and to manipulate them for partisan—and not civic—ends. The comparison of Guayaramerín, where citizens made no attempt to change municipal policy, with Sipe Sipe, where they organized to overthrow the mayor, makes this clear.

With respect to the oversight committee, the comparison between Baures and Sipe Sipe is similar to that between Charagua and Viacha, and hence

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supports the interpretation in chapter 6: where the mayor and municipal council represent their voters and respond effectively to popular demand, the function of the oversight committee is greatly diminished. It only becomes a binding constraint when one or both institutions malfunction. And if the OC itself is neutralized as a decision-making body, civil society must rely on its own devices. But as the experiences of both Viacha and Sipe Sipe vividly demonstrate, when society is coherent and well-organized it is more than capable of defending its interests.

The final, small but compelling observation concerns Baures and its separation from the municipality of Magdalena two years into the decentralization process. While it was subordinate to Magdalena, Baures was comprehensively ignored by town hall. There was no local governance system in operation, as the subdistrict received few resources, and few GROs were organized. But after separation, local government flourished in Baures. Neighborhood and community groups sprang up to participate in policy decisions, and public resources were invested equitably according to communities' greatest needs. Public services improved considerably, and the people applauded their local government. This transition from stasis to governance is an illustration of the potential of decentralization. The exemplary experience of such a tiny population suggests that decentralization in Bolivia can be taken further, driving democracy even deeper into the roots of society.

Conclusions: Refining the Model

As fine-tuned above, the model of the local governance system can explain the quality of government in all nine municipalities, including Viacha and Charagua as well as the two outliers. More important, it is sufficiently sensitive to distinguish between cases that alternative theories would expect to be similar, but that in fact show very different levels of performance. A common claim, for example, is that performance is a positive function of municipal size or wealth, as smaller/poorer municipalities lack the human and financial resources to confront the problems of government. But such a theory can not explain the position of Guayaramerín, one of the largest and wealthiest districts, at the bottom of the list, nor that of tiny Baures at the top. Another argument, found frequently in the political science litera-

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ture, is that the presence of dominant interests leads to interest-group capture and hence unresponsive government. But this only explains performance in one of our worst-performing group—Guayaramerín—and not the other two. Last, my own econometric results imply that small, rural municipalities are more sensitive to local needs than their larger, urban cousins. But the two smallest districts in our group—Baures and Desaguadero—sit at opposite extremes, while the largest and most urban—Sucre—lies near the top. The model developed above can explain all of these apparent contradictions. It can also explain why the underlying quality of governance in Sipe Sipe was better than it appeared, and why government could be expected to improve suddenly there.

The greater amount of information available from adding seven cases to our original two permits a rough sort of "sensitivity analysis" of the different elements of the model in order to gauge their relative importance. Consider the positions of Baures and Sipe Sipe in table 12. This suggests that all three determinants must rate highly in order for government to perform well. Having two good factors is not enough, nor indeed is one. But closer examination reveals that economic structure is least well correlated with the fourth column. Politics and civil society track overall responsiveness and accountability better, suggesting that they jointly determine government quality. But at this point it is instructive to ask, Which of these factors is exogenous and which is endogenous? It is easy to see that the local economy is essentially given. It is part of the superstructure within which politics and civic organizations operate, and—short of revolution or expropriation—changes too slowly to be determined in any useful sense by the other factors in the model. The institutional capacity of civil society is also exogenous. Although it will develop and change over time, internalizing the incentives generated by its environment more rapidly than economic structure can, it is ultimately dependent on characteristics such as culture, language, encompassing interest, and trust—characteristics that should remain exogenous in a political economy model of government.

A competitive political system, on the other hand, is different—dependent as it is upon the constellation of economic and other interests at the local level, as well as on political participation by citizens and turnout at elections. According to their strength and their behavior, a district's private interests can monopolize its politics or contribute to openness and competition, and voters can make their demands known and hold politicians to

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account, or not, by the extent to which they vote and participate in policy discussions. Thus assuming a legal and institutional framework that guarantees a secret ballot, fair vote count, and free entry of political agents—essential assumptions for any democratic system—competitive politics is determined endogenously. Poor or corrupt leaders can emerge spontaneously, of course, but over time the character not only of political leadership but of the entire political system will be given by the interactions of civil society and economic structure. This is born out by the preceding analysis, which shows this process in action in our seven municipalities. Figure 10 presents these relationships graphically and shows how they relate to the previous model of local governance. In essence this model is a restatement of the previous one. But whereas the first model is structural, representing the main actors involved in the local government process, this one is dynamic, focusing on the interactions between these actors and the chain of causality that leads to government responsiveness and accountability.

Last a question: what sorts of interventions can improve the quality of local government? Very generally, and assuming that legal guarantees of free and fair voting are in place, figure 10 suggests that civil society should be the key object of such policies. If economic structure is exogenous and changes slowly, then efforts to increase the responsiveness and accountability of government institutions can usefully focus on strengthening civic organizations, increasing their participation in the policy debate and their influence on the local political system. Such efforts should take account of how civic groups enter the local governing process and which are the key inputs they provide, as discussed above. Principal among these is continuous feedback on grassroots needs and the effectiveness of government action. This can serve to complement a voting mechanism that is intermittent and ungraduated, and thus unsuited for prompting incremental policy changes. In so doing, it can help to counterbalance the influence of private interests on politicians, which tends to be both continuous and compelling, and to lead in the long term to patronage and insularity in the local political system. But national authorities and development practitioners alike should be very wary when planning such strengthening activities. The fundamental point of decentralization is that decisions are made locally, according to local priorities. Outsiders must take care not to disrupt this process. Hence their policy interventions must be discrete and highly targeted, and focused above all on enhancing the insertion of civil society into the local governance system.

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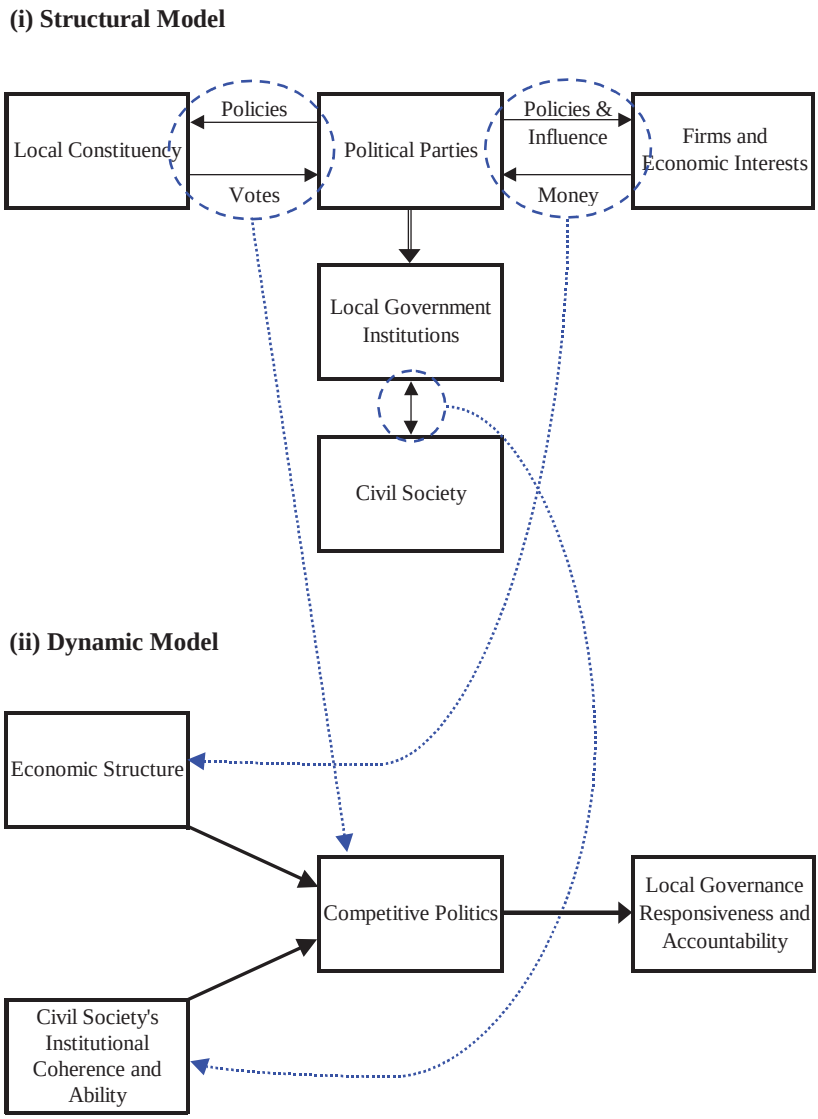

Fig. 10. Two models of local government

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Notes to Bonus Web Chapter

1. This index represents the gap between a municipality's basic needs and available public services, and is calculated from census data. A value of one represents maximum deprivation.
2. The main articles of the LPP are summarized in chapter 1.
3. From nothing to Bs. 2.7 million.
4. See figures 1–7 for sectoral breakdowns. Sources: municipal interviews and Ministry of Finance database.
5. Silvio Rojas Aguilera, mayor, interview, Porongo, 7 April 1997.
6. Interviews with the mayors and key municipal staff of all seven municipalities. See interview list for details.
7. Interviews with the mayors and key municipal staff of Desaguadero, Guayaramerín, and Sucre.
8. Interviews with the mayors and key municipal staff of Atocha, Baures, Porongo, and Sipe Sipe.
9. Ibid.
10. Desaguadero, Guayaramerín, and Sucre, interviews.
11. Raimundo Candia, municipal general secretary (i.e., chief officer), interview, Sucre, 15 April 1997.
12. Rosendo Mamani Quispe, mayor, interview, Desaguadero, 25 March 1997.
13. I define *large* as in the upper quintile of municipalities by population.
14. All respondents were asked to rate public investment projects and the quality of local public services on the following scale: Very Bad—Bad—Regular—Good—Very Good.
15. Oscar Durán, neighborhood council president, interview, Baures, 2 May 1997.
16. Juan Jahnsen, Jasiakiri community leader, interview, El Cairo, 3 May 1997.
17. Hugo Melgar Barbery and Erland Ayllón Parada, municipal council president (MIR) and member (independent, ex-MNR), interview, Baures, 2 May 1997.
18. Claudio Torres, community leader, interview, Chuqui-Chuquí, 18 April 1997.
19. Benedicto Bonilla Rojas, oversight committee president, interview, Porongo, 7 April 1997.
20. When referring to village-level testimony I often use the construction "Village X said" to mean "the leaders of Village X said," in the interest of parsimony; notes also receive this treatment in the interest of accuracy.
21. Chuqui-Chuquí, interview.
22. Raúl Mamani Villca, oversight committee president, interview, Siete Suyos, 22 April 1997. The project in question is a cameloid (i.e., llamas, alpacas, and vicuñas) development project.
23. Fr. José Dessart, parish priest, interview, Atocha, 25 April 1997.
24. Alberto Albert, municipal technical adviser and ex-municipal council president, interview, Guayaramerín, 20 October 1997.
25. Eduardo Ala, Celso Cuba, and Andrés Cuba, community leader, spokesman, and officer, interview, Siquisiquía, 29 May 1997.

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26. Guillermo Saavedra Crespo, César Árnez Mondragón, Eduardo Céspedes, and Fernando Montán Árnez, community president, vice president, officer, and oversight committee vice president, interview, Mallco Rancho, 28 May 1997.

27. Gabriel Sosa Salvatierra, hospital director, interview, Guayaramerín, 22 October 1997.

28. Demetrio Orellana, community leader, interview, Parotani, 27 May 1997.

29. Hugo Ayllón Parada, Cattlemen's Association president, interview, Baures, 2 May 1997.

30. Grover Martínez Franco, mayor, interview, Baures, 2 May 1997. I adhere to local definitions, where large is more than 1,000 head of cattle, medium is 300 to 600, and small is less than 300.

31. El Cairo, interview. See chapter 3, box 1, The Slavery of Captive Communities, for a description of the general phenomenon.

32. H. Ayllón, interview.

33. Alfredo Bravo Mujica and Mario Cerda Escalante, municipal councilmen (MNR and ADN respectively), interview, Desaguadero, 24 March 1997.

34. Alfredo Yáñez and Juan Carlos Sobut, directors of the Chamber of Commerce, interview, Sucre, 16 April 1997. Sucre is located 1,500 meters lower than the mining center of Potosí and has a dry, mild climate.

35. Samuel Montellano Aparicio, district director of education, interview, Sucre, 14 April 1997.

36. Hernán Vargas Rivera, agro-industrialist, television station owner and ADN chief, interview, Guayaramerín, 21 October 1997.

37. Adrián Rivera, electricity cooperative president, moneylender, and hotel owner, interview, Guayaramerín, 21 October 1997. The only bank in Guayaramerín is a branch of BIDESA, which dispenses local salaries but does not lend.

38. *Quien manda?* in Spanish.

39. Vargas R., interview.

40. Chorolque, Animas, and Siete Suyos are the main ones.

41. Dessart, interview. Fr. Dessart worked in Atocha for more than three decades.

42. The state mining enterprise, formed in the 1952 revolution.

43. The Bolivian Confederation of Labor, of which miners were traditionally the backbone. Between the 1950s and the 1980s the COB deliberated economic policy directly with the employers' federation and the government of the day.

44. Pablo Victorio Ayala, mayor, interview, Ánimas, 22 April 1997.

45. Juan Velabaruta, Esteban Copa, Felipe Sapana, and Sabanio Fernández Alanoca, community leader, community, ex-leader, and officer, interview, Mojotoro, 18 April 1997.

46. Montellano A., interview.

47. Sisters Pilar and Teresa and Prof. Oscar Velázquez, CETHA, interview, Baures, 4 May 1997. CETHA is a church-supported institution specializing in adult education.

48. Juan Oni Antelo, municipal councilman (MNR), interview, Baures, 2 May 1997.

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49. Melgar and Ayllón, interview.

50. El Cairo, interview.

51. *Rich* here is a relative term specific to the local context of each case.

52. Victorio A., interview; Severo García Cándia, neighborhood council ex-president, interview, Atocha, 23 April 1997.

53. Mojotoro, interview; Walter Encinas, community leader, interview, Potolo, 19 April 1997.

54. In an area of 110,000 hectares.

55. Bonilla R., interview; Hernán Gutiérrez Viveros and Rómulo Oyola Morales, chief administrative officer and ex-mayor, and technical officer, interview, Porongo, 8 April 1997.

56. Rojas A., interview.

57. Bonilla R., interview; Roberto Suárez, district doctor, interview, Porongo, 9 April 1997.

58. Cecilia Bonilla, school association president, interview, Villa Guadalupe, 8 April 1997.

59. The probability that an incremental voter (brought in from outside) will be electorally decisive is a decreasing function of the number of voters in the district. See Seabright (1996).

60. I refer here to the internal accountability of the local political system. For purposes of analysis, this is distinguished from the institutional accountability that the OC brings to bear within the local institutional framework.

61. Victorio A., interview; Albino García Choque, Juan Bonifacio Onofre, Esteban Marcha Cachambre, and Ivan Marca, miners' cooperative welfare officer, oversight officer, oversight officer, and member, interview, Chorolque, 23 April 1997.

62. Bonilla R., interview. It remained to be seen if this initiative would succeed.

63. I.e., labor, landowners, owners of capital, and so forth.

64. Guido Roca.

65. Vargas R., interview. Cacho owned Guayaramerín's two other television stations.

66. Ibid.

67. Ibid., "Tilly" Rodríguez was widely denounced by people throughout Guayaramerín.

68. Demetrio Orellana, community leader, interview, Parotani, 27 May 1997.

69. Juan José Bonifaz, general adviser to the prefect, interview, Sucre, 15 April 1997.

70. Sr. Ana López, NGO director, interview, Guayaramerín, 22 October 1997.

71. Olson (2000b). My use of this concept is explained in chapter 6.

72. Respectively and jointly. Heterogeneity points to both characteristics, whereas encompassing interest refers mainly to the latter.

73. Self-identified.

74. 1992 census.

75. Srs. Pilar and Teresa and Prof. Oscar Velázquez, interview.

76. Oscar Durán, president of the Nicolás Carageorge neighborhood council, interview, Baures, 2 May 1997.

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77. *Organizaciones Territoriales de Base* in Spanish, or OTBs.

78. Jasiakiri, interview.

79. Yáñez and Sobut, interview; Jaime Gallo Garabinto, municipal councilman (MIR), interview, Sucre, 15 April 1997. There was general agreement on this point.

80. A Bolivian term for highlanders.

81. García C., interview.

82. Villa Solano, for example, reported that its first attempt to form a GRO had failed when the elected leader disappeared from Atocha.

83. Fernando Beltrán, FANCESA (cement company) general manager, interview, Sucre, 18 April 1997.

84. Potolo, interview.

85. Chorolque, interview.

86. Interview evidence is at variance with official statistics on this point. I assume interview subjects' figure of 11 is correct, and ascribe discrepancy with the official number to two causes: (1) several communities joining to form a single GRO, and (2) the high dispersion/low spatial density of many of Desaguadero's communities.

87. Xavier Albó, Armando Godínez, Kitula Libermann, and Francisco Pifarré, *Para Comprender Las Cultural Rurales en Bolivia* (La Paz: MEC/CIPCA/UNICEF, 1990), 48–56.

88. Ibid.

89. Respondents insisted that the two forms were different, though they seemed unable to articulate the difference clearly.

90. Juan Nina Quispe, oversight committee vice president and neighborhood council president, interview, Desaguadero, 25 March 1997.

91. Urban respondents' approval of the LPP based on supposed large investments in the countryside, which were denied by rural respondents, is evidence of this. See the end of the second section of the bonus web chapter text.

92. Sosa S., interview. According to him, the city's population rose from 3,000 to 38,000 over 54 years.

93. Sr. Ana López, director of Caritas (NGO), interview.

94. Ibid.

95. Fr. Julio Corredor, parish priest, interview, Guayaramerín, 19 October 1997.

96. Manlio Roca, port (customs) manager, ex-mayor and ex-MP, interview, Guayaramerín, 21 October 1997.

97. Elío Simoni Casangeli, Chamber of Industry and Commerce secretary, interview, Guayaramerín, 21 October 1997.

98. Dionisia Cuéllar Pérez, Emilse Choquere, and Santiago Méndez, community officers, interview, 1º de Mayo, 23 October 1997.

99. J. Corredor, interview.

100. Hugo Ayllón Parada, Cattlemen's Association president, interview, Baures, 2 May 1997.

101. El Cairo, interview.

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102. El Cairo, interview; Jasiakiri, interview; Srs. Pilar and Teresa and Prof. Oscar Velázquez, interview.

103. Oni Antelo, interview.

104. The OC was able to have a fence, originally planned for a sports field, reassigned to the local cemetery in order to keep out stray dogs.

105. Beltrán, interview.

106. Potolo, interview.

107. J. Bonifaz, interview.

108. Marta Oyola Morales, president of the Civic Committee for Women, interview, Porongo, 7 April 1997. Oyola lived in Santa Cruz but came to Porongo "every weekend."

109. The order of priorities is telling.

110. Villa Guadalupe, interview.

111. Victorio A., interview.

112. Mamani V., interview.

113. Justo José Apaza, community leader, interview, Desaguadero, 25 March 1997; Constantino Aruquipa and anonymous, school association president and member, interview, Desaguadero, 25 March 1997.

114. The following day he was still too ill to see me.

115. Nina Q., interview.

116. Simoni, interview.

117. Iván Nincevic Landívar, municipal council president (ADN) and telephone cooperative president, interview, Guayaramerín, 20 October 1997.

118. 1º de Mayo, interview.

119. Zacarías Catalayud, oversight committee vice president, interview, Guayaramerín, 20 October 1997.

120. Pedro Noel Herrera Delgado, departmental forest inspector, interview, Guayaramerín, 21 October 1997.

121. Catalayud, interview.

122. 1º de Mayo, interview.

123. Mallco Rancho, interview.

124. Siquisiquía, interview.