INSTITUTIONS OF PARTICIPATORY GOVERNANCE: LATIN AMERICA’S RESPONSE TO A FAILING PARTY SYSTEM

Abstract
In the face of high levels of distrust in political parties, policy-makers, intellectuals, and activists in Latin America have created “institutions of participatory governance,” or IPGs, to engage everyday citizens in political decision-making. This essay explores the rise of nationally mandated participatory institutions in Latin America as a partial response to the failures of the party system to engage citizens and channel their interests in the policy making process. It asks: to what extent are IPGs serving citizens’ needs? The evidence provided through two case studies demonstrates that, like the political party systems in several countries, many IPGs do not effectively represent the diversity of interests of Latin American citizens. Nor are they engaging a wide array of constituents. In the two cases that are discussed—Bolivia and Guatemala—this failure is partly due to the same problems that plague political parties, such as clientelism, discrimination, and corruption. The article concludes that to improve democratic governance in the region, both representative and participatory institutions need to be reformed.

Latin America is in the midst of revolutionizing its political systems. As traditional channels of citizen engagement fail the average citizen, national governments are designing institutions that engage citizens in more direct and participatory ways. In the face of high levels of distrust in parties, policy-makers, intellectuals, and activists have undertaken radical experiments to engage everyday citizens in political decision-making. These institutions—called “institutions of participatory governance,” or IPGs—currently exist in almost every country in Latin America.

There is a large and growing scholarly literature on these participatory experiences, which is beyond the scope of this article. It is important to note, however, that IPGs—defined as state-sanctioned institutional processes that allow citizens to exercise voice and vote in public policy decisions—are different from other kinds of direct democracy mechanisms (Wampler and McNulty 2011). Unlike deliberative polling, recall voting, referendums, and town hall meetings, IPGs provides opportunity for both voice and vote in a sustained and ongoing way (Wampler and McNulty 2011). This article focuses on IPGs that are “top-down” in nature—meaning they are designed and mandated by the national government to improve the nature of participation in a variety of political contexts.

To what extent are IPGs serving citizens’ needs? This article explores the rise of nationally mandated participatory institutions in Latin America as a partial response to the failures of the party system to engage citizens and channel their interests in the policy making process. The evidence provided through two case studies demonstrates that, like the political party systems in several countries, many IPGs do not effectively represent the diversity of interests of Latin American citizens. Nor are they engaging a wide array of constituents. In the two cases that are discussed—Bolivia and Guatemala—this failure is partly due to the same problems that plague political parties, such as clientelism, discrimination, and corruption.

There are some important caveats to this analysis. First, while Latin American political parties have many problems, the state of political parties in the region varies widely from country to country. Second, the emergence of a top-down IPG in any given country is also linked to several other important factors that are not discussed in this piece. Furthermore, these events have not taken place in a linear or orderly process. Rather, these are complex historical processes that have taken place in varied, intersecting, and labyrinthine ways.

This article unfolds in five sections. First, the failure of many political parties in the region is outlined. Second, the response—a growing number of IPGs designed by national governments—is presented. The third and fourth sections describe two cases of top-down, nationally mandated IPGs: a development council system in Guatemala, and the Law of Popular Participation in Bolivia. The case studies demonstrate that, in general terms, the IPGs are no more effective at engaging citizens and channeling demands than their representative counterparts. The conclusion discusses why and what this means for political parties in Latin America.

1. The Context: Failing Parties

In 2008, the Latin American Public Opinion Poll (LAPOP) asked more than 36,000 people from twenty-two countries around Latin America if they believe that political parties effectively represent them (Corral 2010). In no country did a majority of the respondents say yes. Of course, in some countries more respondents expressed confidence in parties than in others. In Mexico and Chile, approximately 44% of the population had faith in the party system; while in Brazil and Paraguay, less than one-third of the respondents felt that parties represent their voices (Corral 2010).

Observers of Latin America commonly refer to a crisis in the political party system in the region (Shifter 2013, Coppedge 2007, for example). In describing state-society relations in the Andean countries, Drake and Hershberg (2006: 17) write that “political parties…are brittle, frequently having served historically to co-opt rather than represent

---

2 There is an incredibly large and diverse literature on Latin American political parties. For just a few of these works, see Coppedge 2007, Kitchelt et al 2010, Mainwaring 1998, and Mainwaring and Scully 1995.
significant sectors of the population.” This crisis has been especially acute in countries like Peru, Venezuela, Argentina, and Ecuador.

Why have so many political parties in the region failed to engage citizens and represent their interests? The reasons are multifaceted. Citizens around the region do not feel included in the party structures. In many cases, such as Ecuador, Venezuela, and Peru, the historically predominant political parties were viewed as corrupt, ineffective, and out-of-touch with the average citizens’ needs. In others, such as Bolivia, poor economic management and subsequent economic crises pushed people to lose faith in the traditional party structure. Finally, problems of clientelism and patronage politics continue to plague many political parties in the region (Stokes 2005, Szwarcberg 2012). These and other factors have led to the deep distrust of political parties that is clearly illustrated in the LAPOP survey data.

In sum, Latin American parties do not effectively represent citizens. Instead, they are vehicles for clientelism, patronage politics, and exclusion. While the extent of these problems vary and their origins are complex, this article focuses on one particular policy response that has emerged in the context of these problems: the top-down establishment of new institutional channels to engage citizens in decision-making and policy discussions. The next section explores these institutions in more depth.

2. The Response: Institutions of Participatory Governance

In light of this situation, reformers have developed innovate ways to engage citizens and channel new voices in policy debates. This has led to the emergence of several nationally mandated institutions of participatory governance. For example, in 2003, the Peruvian national government mandated that participatory budgeting take place in all regions and cities (McNulty 2011, 2012). More recently, Chile passed a National Citizen Participation Law to mandate that local and intermediate governments engage citizens in several aspects of the policy-making and budgetary processes (Muñoz 2011). In Venezuela and Ecuador, a local citizen council system exists throughout the country to engage citizens in policy decisions (Hawkins 2010, ICNL 2012). These are just a few of the myriad forms that IPGs take in the region.

Importantly, there are two ways in which these institutions are set up (see Mansuri and Rao 2013). First, some are top-down in nature. In these cases, national government officials pass laws that establish participatory institutions in all local or intermediate levels of government. Second, some IPGs emerge through bottom-up processes. In these cases, local government officials and civil society organizations generally work together to set up a participatory process in one city or area of a country. They do not take place in all localities and are not mandated by above. Examples of bottom-up experiences lie in participatory budgeting in Brazil, Mexico, and Argentina. Several towns and cities around these countries have experimented with participatory budgeting,

---

3 In other countries, such as Mexico, Chile, and Colombia, political parties have shown remarkable persistence and longevity. Thus, while it is true that the political party system is problematic in many countries in the region, it is not true of all countries.
but PB is not mandated as part of a national law. In some counties, such as Brazil, examples of top-down and bottom-up participatory institutions co-exist (Avritzer 2009).

This article explores two examples of the top-down variant of these institutions, based on my ongoing research. I focus on top-down examples because they are most comparable to a large-scale national political party system, which is the subject of this special issue. Thus, the following sections describe two national attempts at mandating participatory governance from above.

3. Guatemala’s Rural and Urban Development Council System

As part of the democratization and peace processes from 1985 to 1996, Guatemalans designed and implemented a participatory rural and urban development council system to engage average Guatemalans in development policy decisions. The first step towards establishing the system took place when Guatemala transitioned from a military regime to a partially democratic system in 1985. The call for democracy took place in the middle of a violent civil war taking place in the countryside marked by military control of many regions and a scorched earth campaign that killed tens of thousands of indigenous civilians.

Political parties in Guatemala were largely irrelevant until the 1985 transition to democracy. Thus, in some ways this reform took place in the context of a relative absence of an effective political party system. According to Omar Sánchez (2008: 132) even since formal democratic practices emerged in this country, “Guatemalan parties have utterly failed in their representative function, particularly in their ability to bring the interests and demands of subaltern classes to the forefront of public policy and give them voice in the policymaking process.” This leads Sánchez (2008: 132) to conclude that “Guatemalan parties continue to be epiphenomena (or instruments) of other actors more central in shaping political outcomes.”

During the transition and peace process some high level reformers were committed to more participatory democratic practices. As a result, the 1985 constitution calls for “the organization and coordination of public administration, a National Council for Rural and Urban Development...coordinated by the President of the Republic...These councils will be responsible for formulating urban and rural development policies” (Article 225). The 1987 Law of Rural and Urban Development Councils (Ley de Consejos de Desarrollo Urbano y Rural, Decree 52-87) set up a council system with five levels: national, regional, departmental, municipal, and local (Article 2). The development council system is set up like a pyramid structure (see Figure 1) and is meant to channel policy decisions from the most local levels to the highest national level of debates.

---


5 Interestingly, these reformers are linked to the Christian Democratic political party in Guatemala, which, during this period, had a party platform rooted in participatory politics. Thus, some political parties were deeply concerned about the problem of citizen engagement.
The original implementation of the system stalled almost immediately when members of the opposition argued, and the Courts agreed, that a municipal council system with organized sectors of society is illegal because it threatened municipal autonomy guaranteed in the constitution (Amaro 1990, Ramos Muñez and Sosa Velásquez 2010). The local councils were dismantled and the system stayed in place with no local mechanism for channeling citizen or civil society participation into the policymaking process. As such, it barely functioned. It was not until a formal peace process took hold that real movement toward reviving the development council system took place. Many of the themes of the peace process and eventual peace accords, signed by the end of 1996, included the need to revive municipal politics and ensure citizen participation.

The most recent law to promulgate the language of the peace accords is the 2002 Law of Urban and Rural Development Councils, which states that the council system is meant to “provide the principle means of participation to the population—Maya, Xinca, Garifuna, and nonindigenous—in public management to achieve a democratic development planning process, taking into account the principles of national unity, multi-ethnicity, pluriculturalism, and multilingualism of the Guatemalan nation” (Article 1). The purpose of the council system is to “organize and coordinate public administration through the formulation of development policies, plans, and budget programs” (Article 3). This law reinstates almost the exact same system that existed before the earlier court decision. The main difference is that the “local” level is now called the “community” level, or COCODE in Spanish, and each level now includes representatives from indigenous groups and women’s organizations.

Is this IPG engaging citizens and representing their demands and interests in the political system? I traveled to Guatemala in 2011 to evaluate the system. Through interviews and observations, I determined that, although the council system varies

---

6 See Jonas 2000 and Ramos Muñez and Sosa Velásquez 2010 for more on the substance of the accords. For the actual accords, see http://www.guatemalaun.org/paz.cfm.
7 See Linares López 2009 for a more detailed analysis of the three laws and Marroquín and de León 2011 for more on the Law of Urban and Rural Development Councils.
widely by locality and level, the short answer to this question is no. For example, the national development council, meant to formulate national development and decentralization policies at the national level, rarely meets (Puente Alcarez and Linares López 2004, Ramos Muñez and Sosa Velásquez 2010). The regional level councils are also very weak, which is mostly the result of the fact that regions themselves are still not very important to the logic of the Guatemalan state (Ramos Muñez and Sosa Velásquez 2010).

The department level councils, CODEDES, have taken on a higher profile because they receive actual funds for development projects, also called investment projects. Therefore, they do exist and meet regularly. However, civil society participation is not very active. A 2009 study found that 65% of the members of the CODEDES around the country were governmental officials. Furthermore, several observers allege that projects are hand picked by governors. Often, the projects are then contracted out to businesses with ties to the governor or his political allies (Linares López 2009). Mayors often complain about the governor’s dominant role (Gálvez Borrell, Hoffman Bailey, Fernando Mack 1998). Others noted that the governor or congressperson from this department (who can also review the budget in Congress) may only fund projects for mayors who support their political party. All of these complaints led many interviewees to describe the CODEDES as spaces that have been co-opted by political forces, typified by corruption and political maneuvering.

The municipal level development councils, COMUDES, and the community level councils, the COCODES are currently functioning in most of the country. However, they also face several problems. Because they do not receive funds directly for projects, thereby weakening it as an institution, the COMUDES tend to be dominated by the mayor figure. Some described meetings as information sessions, not spaces for real debate. COCODES often suffer from clientelism. One person from San Juan del Obispo who had recently quit participating in the COCODE, described his experience:

«We did everything correctly. We called an assembly and elected twelve representatives. Then, the municipal mayor chose another twelve people and made them the official COCODE. One of the mayor’s relatives became the head of his COCODE and this was a way for him to get the projects (obras) that he wanted to be funded».

A problem with the entire council system is that not all voices are included. There is a notable absence of indigenous—who make up 60% of the population—and women in the council system. Ramos Muñez and Sosa Velásquez (2010, 35) write “[a]t the local level, the development councils are organized in a parallel way, and in some cases displacing and weakening the organizational processes of traditional authorities.” The same authors also note: “women’s participation [in the system] has been very limited at the local levels…At the national, regional, and departmental levels women’s presence is approximately 20%” (Ramos Muñez and Sosa Velásquez 2010: 33).

In sum, this particular IPG is not engaging societal actors effectively. Nor are the varied interests of Guatemalans channeled back and forth through the system. Why not? My interviews with participants in the system and scholars clearly demonstrate that clientelism, discrimination, and elite domination are impeding IPG effectiveness in
Guatemala. As one scholar noted in an interview: “The COCODE and COMUDE have become a tool to politicize projects; the mayor can call his people and decide upon projects based on political goals. It is not a bad idea—it just became too politicized.”

4. Bolivia’s Law of Popular Participation

In the late 1980s and early 1990s, Bolivia faced a multifaceted crisis. The economy was in shambles. Traditional political parties were losing support rapidly. In this context, Gonzalo Sanchez de Lozada (called “Goni”), a wealthy businessman turned public servant, ran for president in 1992 and won. Goni was committed to several reforms, including empowering local governments and setting up participatory mechanisms to include the average Bolivian in the policy making process. Immediately upon his election, he and his group of young advisers set out to radically restructure the Bolivian state (Molina Monasterios 1997).

It is important to note that Bolivia has a longer history of a political party system than Guatemala. Several political parties traditionally dominated the political arena for several decades before Goni’s election (Gamarra and Malloy 1995). Having said that, when writing in the 1990s, Eduardo Gamarra and James Malloy (1995: 421) find that “parties are first and foremost vehicles to capture and circulate state patronage.” Since that time, the traditional Bolivian political party system collapsed, and an outsider movement, discussed below, has since stepped in to fill the void.

During this period of crisis, Goni’s efforts were codified in the Law of Popular Participation (LPP, Law 1551), signed into law on April 20, 1994. This law provided the main framework for one of the most participatory decentralization efforts in Latin America and the world. The law transformed the 311 existing provincial sections into municipalities with the power and resources to oversee several aspects of government. It set up a government structure made up of an elected mayor and city council members. More importantly for the purposes of this article, the LPP set out a complex and far-reaching participatory planning and oversight process that took place in every municipality on an annual basis.

The law established that territorial base organizations (organizaciones territoriales de base, or OTBs in Spanish) have the right and responsibility to “propose, ask for, control, and supervise the undertaking of public works and public service delivery based on the community’s need” (Article 7). Registered OTBs work with the municipal government to develop the annual operations program (programa de operaciones anual, or POA in Spanish), which lists the projects that will be financed every year, and five-year municipal development plans. Figure 2 illustrates what a typical annual budget planning process might look like.

There is a very large literature about this reform. For just some of the works, see Ayo 2003, Faguet 2012, Gray Molina 2003, Laserna 2009, Linares López 2002, and Mendoza-Botelho 2011.
<table>
<thead>
<tr>
<th>Month</th>
<th>Event Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>January – August</td>
<td></td>
<td>• Ongoing planning and oversight</td>
</tr>
<tr>
<td>September</td>
<td>Summit 1 (Oversight and Information)</td>
<td>The government presents:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• An update on spending to-date, progress</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• on city projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• The five-year strategic plan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• District budget ceilings for upcoming year</td>
</tr>
<tr>
<td>October</td>
<td>NEIGHBORHOOD MEETINGS</td>
<td>• Neighborhood groups meet to determine</td>
</tr>
<tr>
<td></td>
<td></td>
<td>their needs for the next fiscal year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• They present a list of “demands” to mayor</td>
</tr>
<tr>
<td>November</td>
<td>Summit 2 (Project lists are finalized)</td>
<td>• Participants discuss and prioritize projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• A final list is sent to the mayor</td>
</tr>
<tr>
<td>November/December</td>
<td>GOVERNMENT DECISIONS</td>
<td>• Mayor presents list to the city council, which approves</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Oversight Committee also has to approve</td>
</tr>
<tr>
<td>December 15-31</td>
<td>Summit 3 (Project lists are finalized)</td>
<td>• Final approval announced, Annual Operational Plan presented to council and oversight committee, all officials sign document</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Civil society trained to oversee spending</td>
</tr>
</tbody>
</table>

Figure Two: Bolivia’s Participatory Planning Cycle (Sample Schedule)

Another participatory aspect is an oversight institution called the oversight committee, or “comité de vigilancia.” This committee, made up of elected OTBs, is tasked with overseeing the budget during the year as the projects are executed.

To what extent did the LPP and the new channels of citizen participation work during the years that it governed local participation? Did this particular IPG engage citizens? Did citizens feel represented by the participatory institutions? In some ways, the LPP was quite successful. For many years the participatory processes were institutionalized and formally part of the local governments’ political decision-making processes. Many positive results have emerged from this reform. However, critics also point to several problems with Bolivia’s IPG.

One critique is that empowering territorial organizations (such as neighborhood groups) subsequently disempowered national organizations. Carla Esposito Guevara and Walter Arteaga Aguilar (2006) argue that the reform caused larger organizations, with departmental or national presence, to break up into smaller ones in order to register. Other authors, such as Goudsmit and Blackburn (2001), argue that the stress on territorial organizations excluded traditional indigenous forms of participation called ayllus. Nancy Postero (2007: 158) makes a similar point when arguing that the LPP is not compatible with indigenous traditional forms of organization—ayllus in the highlands and “large assemblies in which decisions are made by consensus” in Guaraní areas.

9 It is important to note that the LPP is no longer the legal framework for decentralized politics; it was replaced when Bolivia adopted its new constitution in 2009. See Ayo 2009 for more on the current framework.

422
Other studies have criticized the oversight committee. For example, Raúl Maydana (2004) documents the very slow implementation and formation of oversight committees in many areas, due in some cases to the lack of familiarity with the concepts in the law. Others note that the oversight committee promotes co-optation and corruption. John Paul Faguet (2012) documents an example of this when describing the oversight committee in a city called Viacha, near El Alto. In 1997 when he visited the town, people complained to him that there were actually two oversight committees working in the city. One already existed when the mayor was elected. Because it had denounced him and caused his resources to be suspended, the mayor handpicked a second committee. Faguet (2012: 64) writes that the second oversight committee was “beholden to the mayor, completely uninformed, and operationally inert, not only failing to provide any sort of counterbalance to his power but actively endorsing his manipulations.” He goes on to describe an example: The mayor invited this committee to a seminar, fed and paid them, and then asked them to sign his annual investment plan.

In his 1998 study of the oversight committee in La Paz, José Blanes writes that, at the time, the mayor’s office only invited members to the planning meetings. They were “actively excluded” from the decision-making process when the mayor’s office made final plans about what to fund (Blanes 1998: 16). Blanes (1998: 17) goes on to describe the oversight committee as “very weak…and without real power or technical capacity.” Another report by a Bolivian think-tank argues that the participatory process is dominated by elites. They note that many of the decisions about spending take place early in the process (which they consider to be the most important phase) and are made by “tecnicos, municipal authorities, and elite neighborhood leaders with weak links to their bases” (CEDIB 2011: 113). This, combined with other weaknesses, leads CEDIB (2011) to ask: Does real participatory planning exist? They conclude that “the facts confirm that it does not” (CEDIB 2011: 105).

In contrast to Guatemala’s experience, the LPP did lead to some very important and long-lasting results. However, these results were often mitigated by problematic dynamics in several cities and towns. Like political parties, the LPP institutions were often plagued by clientelism and patronage, which mitigated the success of this IPG.

5. Conclusion

Guatemala’s urban and rural development councils and Bolivia’s LPP are illustrative of many top-down IPGs around the region. On paper, nationally mandated IPGs exist in Honduras, Nicaragua, the Dominican Republic, Chile, Ecuador, Venezuela, Peru, Colombia, and Brazil. Some, such as those in Chile and the Dominican Republic, have not yet been implemented widely. In many of those that have, such as Venezuela’s community council system and Nicaragua’s Citizen Power Councils, observers have documented similar problems. Critics charge that leaders in these use IPGs as ways to reward supporters and keep themselves in power.

Therefore, like political parties, top-down IPGs often fail to engage citizens and effectively channel the diverse interests that typify political systems in Latin America. Of
course, exceptions exist. Often, in one country a council or planning process works very well in one community and not as well in another. In a broad sense, however, it is clear that IPGs have not made up for the failings of the party system in Latin America.

One of the main reasons for this outcome is that in many cases IPGs are plagued with the same problems that typify many political parties in the region. In Guatemala, mayors call on their supporters to form a council. If this fails, they sometimes create a second COCODE or COMUDE in their city to push forward a politically motivated agenda. In some areas of Bolivia, project funding is determined based on clientelistic relationships, not technical merit or development impact. In many cases, clientelism and discrimination have infused these channels of participation in the same ways that they permeate political parties.

What does this mean for political parties in the region? Many have called for renewed efforts to reform and reenergize political parties. Noting that parties are an essential feature of democratic systems, these scholars argue that instead of creating new channels of engagement, efforts should be placed on fixing broken systems.

I argue that reform efforts need to be focused on both representative and participatory channels of engagement. Both serve important roles in a political system. Parties are essential institutions for elections, which take place relatively infrequently in most countries. IPGs are needed to engage citizens and ensure more active, local, and ongoing participatory processes. These two channels need to complement each other, not compete with or replace each other.

However, reforming the institutions themselves, while important, is not enough. To effectively create channels of citizen participation, several deep-rooted structural problems also need to be addressed. Latin America has a long history of clientelism, patronage politics, exclusion, and corruption. These are the fundamental stumbling blocks for both participatory and representative institutions. Only when these issues are resolved, which could take generations, will we begin to see real change.

To conclude, the case of IPGs in Latin America demonstrate that parties are relevant and necessary for modern political systems. They cannot be replaced with more direct channels of participation. They must be reformed to be inclusive, transparent, and democratic, but they will not and should not disappear. At the same time, participatory channels should not be viewed as competing with or replacing parties. Democracy has room for both.

Works Cited