

# Chapter 17

## Between Legitimation and Decentralisation: Explaining the Rise of a Plurinational State with Autonomies in 21st Century Bolivia

**Gustavo Xavier Bonifaz**

*The London School of Economics and Political Science, UK*

### ABSTRACT

*The present paper aims at answering why a country that shared, with other Latin American states, a centralist tradition that was even strengthened in the aftermath of its 1952 revolution, became one of the most radical and complex decentralisers in the region. The present is a country case study in which, using a process-tracing analysis, the evolution of decentralisation in Bolivia will be explained up to its current complex structure from a perspective of the relationship between political legitimisation under competitive elections and the way in which the party system processed longstanding tensions between the state and different segments of society.*

### INTRODUCTION

In a radical departure from its post-revolutionary tradition, Bolivia became, in 1994, one of the most radical Latin-American decentralisers (Faguet, 2013; O' Neill, 2004). In April of 1994, the Bolivian Congress passed the Popular Participation Law (PPL). The PPL was revolutionary because it territorialised Bolivian in 311 Municipalities, many of which barely experienced the presence of the state. These municipalities included urban and rural areas within their jurisdictions. From there on, every Mayor would be elected in Municipal elections, as well as a deliberative body of Councillors which number would fluctuate between five and eleven, according to the population of the Municipality. The municipal electorate would also elect these Councillors, out of which, the first in the list would be allowed to run for the position of Mayor. If no party reached more than 50% of the votes, the Councillors would elect the Mayor from the two most voted candidates (R. A. Mayorga, 1996). Furthermore, the PPL created a n accountability structure called *Comites de Vigilancia* in Spanish, or Oversight Committees, which

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represented the grass roots organisations in both the urban –Neighbourhood Associations- and rural – Indigenous Communities and/or Peasant Trade-Unions- areas.

Furthermore, the PPL redistributed 20% of the national budget to the municipal level, to be allocated to each municipality according to its demographic density. Taxes on urban and rural property, automobiles and the patents and special contributions fell under the jurisdiction of local governments. In sum, structural changes in the budgetary dynamics of the state were adopted in accordance to the political decentralisation adopted through the PPL. This was a radical departure from the highly centralist stand that the Bolivian state adopted after the Revolution of 1952. It is historically puzzling to acknowledge that the same party that carried on the Revolution –Movimiento Nacionalista Revolucionario in Spanish, or MNR-was the same that, in a sudden policy shift, adopted the PPL.

Why, then, a country that shared, with other Latin American states, a centralist tradition that was even strengthened in the aftermath of its 1952 revolution, made such a radical shift? I am not implying here that the Bolivian case is an exceptionalism. After all, the region shares a set of common trajectories in regards to the waves of decentralisation and recentralisation that it has experienced. Between the 1930s and the early 1980s several Latin American states adopted a “state-centered model of economic development... along with the emergence of state corporatist institutions and norms that affect state-society relations” (Montero & Samuels, 2004, p.3). When this model of state-society relations collapsed in the eve of the debt crisis and the transition to democracy, many countries experienced an intersecting trajectory, namely a shift towards some form of decentralisation. “For example, from 1980 to 1995 the number of countries in the region allowing the direct election of mayors increased from three to seventeen. In many countries, intermediate tiers of government have also emerged *de novo* or re-emerged as autonomous units. In addition...subnational government’s share of total public spending expanded impressively during the 1980s and 1990s” (Montero & Samuels, 2004, p.3).

However, each country has experienced these waves of (de)centralisation in its own way, which had been tributary to long and middle term trajectories of their state-society relations. In the Bolivian case, the state-centred corporatist model has been conditioned by the critical juncture of the 1952 revolution. The collapse of this model, in the eve of the debt crisis, was on the other hand particularly acute since the country experienced one of the highest hyperinflations registered in peace times, between 1982 and 1985. Finally, as noted by O’Neill (2004) and Faguet (2013), the process of decentralisation experienced by the country in 1994 was quite radical in comparison to its neighbours’. “Bolivia not only decentralised power, it did so earlier than many of its neighbours and to a much larger extent” (O’Neill, 2004, p. 35), including Venezuela, Peru, Chile and Ecuador (O’Neill, 2004).

Furthermore, this one-tier devolution of power and resources to the local level, was just the first step in a trajectory departure of the Bolivian process of decentralisation. One of the hypotheses of the present research estates that the PPL constituted itself in a platform from which the country embarked on a peculiar second wave of three-tier decentralisation towards the departmental and provincial levels, on top of the municipal governments. Finally, the Bolivian experience was completed by a qualitative shift by which the historically excluded indigenous population was granted political, cultural and institutional autonomy under the principles of plurinationalism and self-rule for the indigenous peoples and nations. Today, the Bolivian constitution defines the state as a plurinational state with autonomies.

The present work agrees with the proposition of Montero and Samuels (2004, p. 5) by which the authors put political choices and political institutions as the key explanatory variables to understand the particular “form, degree and success of decentralisation in Latin America”. Furthermore, the com-

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