

The Power of Municipal Development Plans: An Examination of Their Relevance and Impact in Guatemala

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Abstract

Although decentralization is a common ingredient of the third wave of democracy currently underway in Latin America, few investigations have been conducted on the tools used to prepare local actors for increased responsibility. This study begins to fill that void. It examines the ability of municipal development plans (MDP) to effectively achieve the goals that underlay their formulation and, consequently, promote decentralization within Guatemala.

Over the course of my service in the Peace Corps I witnessed and participated in the formulation of various MDPs. This experience provided the foundation for this research. I interviewed representatives of the three organizations most actively involved in the formulation of MDPs and a number of local participants including mayors, community leaders, representatives of community-based organizations, governmental and non-governmental organizations.

This research demonstrates that municipal development plans are an effective tool for the promotion of decentralization. Despite this, the research reveals that the short and medium-term relevance of each process employed in the formulation of MDPs depends on which actor groups are focused upon.

These findings focus attention on the value of formulating MDPs. Although it is impossible to gauge long-term effectiveness at this time, it is apparent that the process of MDP formulation helps to create higher expectations of government by citizens, increases the capacity of local government to effectively assume increasing levels of responsibility, and enhances governance structures at the local level.

Preface

The themes discussed in this thesis are my attempt to organize the sometimes disheartening, oftentimes conflicting and generally challenging situations I encountered while serving as a Peace Corps volunteer in Guatemala from 2000 to 2002. During this period I served in the Municipal Development program. The tasks given to this group of volunteers revolve around two basic areas: to assist municipal governments in their preparations for the decentralization of government and to help community groups find their voice in a social and political system that, at best, has traditionally been antagonistic to genuine citizen participation.

The experience gained during my service brought me first-hand knowledge of the lofty goals, disappointing results, and small, yet inspiring, achievements that accompany the development process. Through my work I gained a basic understanding of the competing processes employed by different development organizations to achieve the goals listed above. Municipal development plans originally drew my attention because of the widespread interest in their formulation and the competing socio-political philosophies upon which each process rested.

I gratefully acknowledge the time and suggestions of the members that served on this committee. Additionally, I would like to thank past professors, many friends and family members that have contributed to and challenge the way that I understand and interact with the world.

This research is dedicated to the People of Guatemala, who, through their patience, openness and acceptance provided me with a most thorough education.

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SECTION I INTRODUCTION

A candidate for elected office arrives at a community and promises:

“When I have power, I am going to build you a bridge.”

The people respond: “But, sir, we don’t have a river in our community.”

The candidate summarily concludes: “Then we’ll have to make one of those also.”

Jokes of this caliber are common in Guatemala and, indeed, in much of Latin America. They suggest that the lack of constructive dialogue between elected government officials and the citizenry leads to programs that do not meet the expectations or needs of the population. Because this is the way political interactions have traditionally taken place, there exists a certain sense of helplessness in changing existing decision-making structures. However, this sense of helplessness is slowly changing.

The Latin American region as a whole has undergone a series of transformations that continue to influence the ways that governments interact with their constituencies. Structural adjustment programs imposed on national governments by multilateral lending institutions have forced national governments to reign in their spending. National governments have been forced to investigate and experiment with alternative means to improve and expand social service delivery in order to mitigate the deleterious effects of these structural adjustment programs on disenfranchised groups.

Governments throughout the region have promulgated decentralization programs as a means to more efficiently deliver social services. Although the specifics vary according to national contexts, there are many goals of decentralization common to these programs. Increasing citizen participation, strengthening democracy, increasing the fit between government programs and citizen needs, and increasing coordination of development efforts among local development actors are some of the most common goals. Attainment of these goals, however, is based on country specific factors that influence the stability, breadth and depth of these decentralization measures.

Since the end of Guatemala’s 35-year long internal conflict in 1996, the civilian population, the media, and other groups have stepped up their expectations and criticisms of government. Corruption, lack of adequate services, back-room deals, minimal citizen participation, lack of transparency, and misinformation are all common charges leveled against municipal administrations and the central government. These complaints, complemented by the efforts of a host of actors, both domestic and international, have resulted in an incremental, yet significant, increase in citizen participation and in the quality of national and municipal-level service delivery in Guatemala over the last seven years.

These increases are the direct result of changes in the manner that actors at both the national and local levels interact in their quest to control public decision-making. This thesis draws on the concept of *poder local* – literally local power – to frame the power

relations between different actors in their quest to control or influence local public decision-making outcomes.

It uses the lens of *poder local* to focus on a recent but common trend in municipal development within Latin America: the formulation of municipal development plans (MDP). Minimally, these plans are intended to serve as a means for the public to participate in the planning of investment at the local level. In formulating MDPs, organizations aim to increase citizen participation and the fit between government programs and citizen needs, which are also goals of decentralization. However, given the newness of MDP formulation, there has been little analysis of whether these goals have actually been achieved. To date the academic literature on decentralization and planning lacks a critical examination of the relationship between municipal level planning and decentralization in Latin America.

This thesis begins to fill that void. The broad goal of this thesis is to understand how the formulation of MDPs influences the expression of *poder local*. In order to understand this influence, I analyzed the processes employed by three organizations for formulating MDPs. Three research questions have been used to frame the influence of the process:

1. What actor groups participate in the formulation of MDPs?
2. How does each actor group participate in the process of formulating MDPs?
3. Which of the three processes demonstrates the best opportunities for attaining the goals that underlie MDP formulation?

The answers to these questions highlight how each of the processes have achieved the short-term goals associated with MDP formulation. In detailing the roles of different actors and their relative influence in MDP formulation, the answers to these questions also provide some insights on the expression of *poder local*. However, because progress in achieving long-term goals is impossible to measure at this early stage, this research only indirectly explores changes in long-term expressions of *poder local*.

Section I Literature Review & Latin American Context

CHAPTER II STRUCTURAL ADJUSTMENT

This chapter reviews structural adjustment programs (SAP) in Latin America in order to highlight the context from which decentralization initiatives emerged. Three distinct periods are covered. The first period extends from post-World War II to 1980 and is characterized by the movement of international capital and the accumulation of high levels of external debt in Latin America. The second period covers the years from 1980 to around 1987 when the formal recognition of a debt crisis in Latin America led to the imposition of structural adjustment programs. During this period social commentators drew attention to the negative social consequences of these programs. Finally, the period from 1988 to the present is characterized by reforms of SAP in response to the critiques leveled against them and changing Latin American national realities.

1950s to 1980 - Capital Goes Global¹ and Gets Lost

The apparent failure of the import substitution industrialization model of development followed by most Latin American countries, forced many of these governments to assume higher levels of debt. With the end of World War II and the creation of the International Monetary Fund in 1947, developing countries were provided relatively easy access to international capital. During the 1960s and 1970s deposits of 'petroleum dollars' created an urgent need in the international banking community to find borrowers for these deposits. When requested, these banks lent to national governments so that the latter could, among other things, maintain payments on earlier incurred debts, maintain payroll accounts, and fund infrastructure and social programs. However, this propensity to lend obscured these banks' abilities to recognize or thoroughly investigate the risks of default that accompanied the loans they made.

Debt levels during this period oftentimes reached astronomical proportions in Latin America. For example, by 1980 total external debt for Latin America reached \$220 billion. This would not have been a problem if these countries were able to demonstrate their ability to repay their debt through an equally expansive growth in export or other revenue generation. However, in 1980 external debt represented 208% of total exports of goods and services (Ffrench-Davis 2000). Indeed, the debt-to-export ratio for 1980 was the most skewed for many years preceding and following that 'highpoint.' Translated, this means that national level economic ministries could not support or maintain payments on their external foreign debt while continuing to maintain viable development or social programs at home.

Latin American economies are almost singularly dependant on earnings from the export of primary commodities such as coffee, sugar, metals and, in a few cases, oil. During the 1970s prices for these primary commodities were extremely volatile and this meant that national governments were constantly oscillating between scrambling to make

¹ For general and technical economic histories of Latin America during the periods covered, see Williams (1990), Ffrench-Davis (2000), Vera (2000), Tokman and O'Donnell (1998) and Edwards (1995).

budgetary ends meet or rejoicing for an apparent (albeit temporary) windfall of export earnings.

Recognizing these trends, the IMF enacted stabilization programs in the late 1960s to help national governments regain control over their economies. These programs focused on the following aspects: devaluation of the national currency, reduction in national budget deficits, and reduction of tariffs and liberalization of interest rates, among others (Vera 2001, Edwards 1995). Although effective in the short-term, these programs did not produce the expected medium- and long-term results (e.g. stabilization of national economies).

1980s – Crisis and Reform – the ‘Lost Decade’²

When Mexico formally declared in 1982 that it was incapable of maintaining its debt payments, a shock wave rippled throughout international credit and financial markets. In response, international lending institutions were forced to step up their attempts to protect their capital and ensure that these countries maintain or improve their debt repayment capacities. Consequently, structural adjustment programs were designed and implemented *on* countries that experienced a continued need for loans from international markets.

In response to the Mexican debt crisis the International Monetary Fund (IMF) continued implementing its stabilization programs and added onto these programs a number of conditions that became known as structural adjustment programs (SAPs). These programs were administered in a coordinated manner with the World Bank. SAPs were instituted in countries that either wanted to acquire further loans or were unable to service their existing loans. Throughout the developing world, the components of SAPs imposed on each country were tailored specifically to address the ‘needs’ of each country that applied for assistance. These components became the backbone of conditionality in the programs funded by both the IMF and World Bank. Table 1 demonstrates the ubiquity of these different components.

Table 1 – Conditionality in IMF and World Bank Programs (percentage of programs with said condition) in the Late 1980s and Early 1990s

Condition	IMF	World Bank	Explanation of actions to be taken
Fiscal (tax) reform	59	67	Decrease spending by national governments, increase tax revenue collection, or utilize a combination of the two.
Financial reform	44	51	Permit the market to set interest rates, decrease credit rationing, and further liberalization of central and private banks.
Exchange rate policy	79	45	Realign exchange rates to reflect their true parity within international monetary

² Bajraj et.al (1997, 4) note that this is a common description of the 1980s because of the ‘adverse economic evolution of the Latin American region during this period.’

			markets.
Trade policy	35	79	Exchange import-substitution policies for outward-oriented strategies, eliminate non-tariff barriers and promote export production.
Privatization and deregulation	59	65	Sell off public enterprises, privatize certain services, and deregulate private services to foster increased efficiency and competition domestically and internationally.

Sources: Edwards (1995: 57) and Saborio (1990).

By tying further loans or the restructuring of debt payments to the above-mentioned conditions, the IMF and the World Bank were attempting to coerce or encourage national level governments to put their macroeconomic homes in order. However, because of the political context within many Latin American countries a strong friction existed between Latin American national economic objectives and the foreign policy objectives of the region's sole superpower, the United States of America.

Military rule and internal conflict characterized many Latin American countries during the 1970s and, more intensely, during the 1980s. Indeed, more than half the region's governments were military led at one or more points during this period (Vanden and Provost 2002). The U.S. government often supported these military governments in order to 'check the spread of communism' in the hemisphere. Internal wars were particularly severe in Central America where Nicaragua, Guatemala and El Salvador each faced insurgent uprisings for the entire decade.

During this period USAID permitted political and national security objectives to take precedence over the economic concerns of the countries receiving their funding. US bilateral aid to Latin American governments during the 1980s diluted the impacts of the adjustments initiated by multilateral donors (Saborio 1990, Bacha and Feinberg 1986). These funds provided non-democratic, Latin American national governments with the financial means to forego or stall adjustment programs required by the IMF or World Bank. This grace period came to an end, however, with the slow demise and sudden collapse of the Soviet Union. As a result, politically based aid to regimes (military or otherwise) soon dried up.

Sooner or later, when financial need became severe enough, national level governments were forced to abide by the SAPs established by the multilateral banking community. When national level governments could not find additional loans because of poor past performance, they had no other option but to turn to the IMF and World Bank (Vera 2001). These multilateral institutions worked with each government to design the conditions that would help the government to meet a set of targets or goals. As a result, national leaders were forced to determine which path to follow to minimize internal disruption but achieve the prescriptions of the multilateral donors. As can be expected, these decisions required national level political leaders to address their own interests within their specific political contexts. Not surprisingly, many leaders chose to focus on

cutting spending instead of increasing taxes. Decreases in public spending had unintended but predictable negative consequences that drew considerable critical attention.

1990s to the present – Continued crisis and the Reform of Reforms

Policy analysts and researchers began recognizing in the mid 1980s that real incomes of Latin Americans were dropping as a result of the debt crisis (Bacha and Feinberg 1986). Since that time policy makers, researchers and activists have continually debated the effectiveness and outcomes of SAP in specific countries and in the region as a whole.

Just a few social statistics reveal this trend. From 1960-1980 the growth rate of GDP in Latin America stood at 3.0%, while from 1980-1990 it decreased by 1.1%. During the same period, spending in the social sector dropped 2.1% in health and 2.4% in education (Bajraj et al. 1997, 5). This trend would continue and quality of life statistics would reflect little real improvement for the region as a whole until well into the 1990s (Altimir 1998).

During the 1990s Latin America as a region continued to suffer poor marks on its economic indicators as well. High rates of inflation were still common, while external national debt continued to grow at rates higher than GDP or exports could support (O'Donnell 1998).

Does this mean that SAPs had failed to achieve their objectives? Indeed, since the high in 1986, the region as a whole has narrowed the gap between its debt in relation to export earnings, regained positive growth in GDP, established more positive international credit ratings, and reinvigorated investment in their domestic economies (Ffrench-Davis 2000). Of course, not all countries perform as well as the aggregate for the region; smaller countries, for example those of Central America, have generally found it more difficult to maintain positive growth especially when considering that their export economies are still tied almost exclusively to primary products. Costa Rica is a key exception to this trend (Clark 2001).

Moreover, economic crisis is still uncomfortably common in the region. Mexico experienced yet another monetary crisis in 1995 and today GDP growth for the region lies at 1% (Iglesias 2002). Gross income is currently lower than its 1997 levels. Venezuela, Argentina and Brazil, among others, are facing the highest rates of unemployment they have had in over a decade. High levels of external national debt are still common (Gwynne and Kay 1999).

What can be gathered from this rapid fluctuation in the economic prospects of Latin American countries under SAPs? First, the adjustments made under SAPs and the lessons they have taught are iterative. Management of national economies is a difficult and oftentimes unpredictable process that requires constant learning from both mistakes and positive outcomes. Second, SAPs can cause serious negative consequences in social

sectors especially when comparing marginalized groups to those that are better off. Some of the most often cited negative impacts are the following:

- Declining ability of local economies to compete with imports as a result of trade liberalization.
- Diminishing access to health and education services resulting from privatization.
- Decreased employment opportunities resulting from increases in income disequilibria.
- Decreasing food security and lower viability of small farms are the result of agricultural sector reforms (SAPRIN 2002, Magno de Carvalho 1998).

In response to these negative consequences, the World Bank has increased its adjustment recommendations to include what Moises Naím (2000) calls “second-stage” reforms. These reforms include complicated privatizations of state-held services and the reform of the state apparatus. This includes measures such as overhauling the civil service and restructuring government ministries and institutions, especially social service agencies to increase their efficiency and effectiveness in program design and delivery.

SAPs were designed to promote national level economic stability and increased efficiency. Over the years the results from SAP have been mixed. However, three things are certain: First, SAPs have produced some negative results not envisioned at the outset. These negative consequences have disproportionately affected those sectors of the population that have little access to decision-making. Second, these unintended results have been a focus for the change or redesign of SAPs. Multilateral donors have responded to the negative consequences by increasingly focusing their programs on social and productive programs for the poor. And third, SAPs have promoted the transferal of responsibilities from national to sub-national level governments in order to achieve national level budget reductions. Eaton (2001, 20-21) notes:

In addition to budget cuts, tax reform and privatization, one way that national chief executives can defend macroeconomic stability at the center is to shift expenditure responsibilities onto lower levels of government. Letting sub national governments provide costly services such as education and health can provide an immediate boost to deficit reduction efforts at the national level.

That is, SAPs have led to the decentralization of administrative, programmatic and decision-making tasks from the national level to lower levels of government. They have also set the tone for ensuring that local governments have a ‘fair’ say in the design and implementation of the development programs effecting them.

CHAPTER III DECENTRALIZATION

In Latin America the push for decentralization of central administrations is the direct result of the social and economic pressures resulting from the structural adjustment programs faced during the late 1980s and 1990s. In recognizing that central governments were incapable of meeting their nation's macro-economic needs and goals for development, many international organizations pressed for the decentralization of highly centralized national governments within the region. This section addresses four aspects of this trend towards decentralization. First, it provides an operational definition of decentralization and some positive aspects of decentralization. Second, it explores the *stability* or context within which these decentralization programs developed. Third, it covers the *depth* of decentralization measures, or the amount of decentralization promoted within these programs. Fourth, it explores the *breadth* of decentralization measures, or the type of responsibility that is transferred to non-central level governments.

Defining Decentralization

The literature on decentralization offers two competing perspectives on what decentralization is. This debate focuses on whether decentralization is an end in itself (i.e. the decentralization of the state) or a collection of processes aimed at achieving various specific goals (i.e. increased citizen participation and local capacity building). Some authors (e.g. Garman et al. 2001, Eaton 2001) see decentralization as an end in itself, where the process of transferring authority and resources produces 'stronger' local governments with more decision-making capacity. This group focuses on the technical aspects of decentralization and not on the expected social outcomes of the process. Others (e.g. Peterson 1997, Willis et al. 1999, Veltmeyer 1997) see decentralization as a means to achieving goals that lie outside of the process itself. This perspective suggests that, in addition to strengthening the administrative and functional capacity of local government, decentralization programs *should* also lead to the attainment of specific goals that are not a part of the technical and administrative processes.

The distinction drawn above suggests a divergence of paths between the purely technical approach and a more inclusive approach to decentralization. Although the debate is somewhat semantic, the distinction is useful because it provides the foundation for the discussion that follows. Consequentially, for the purposes of this thesis, decentralization is defined as the process of transferring responsibilities and other functions from national governments to lower levels in an attempt to achieve specified targets (i.e. goals) and stable end results.

Why Decentralize?

Before exploring the process of decentralization, it is useful to understand the goals or objectives of initiating decentralization measures. The literature highlights many of the merits that are associated with decentralization (e.g. Willis et al. (2001), Rowland

(2001) and Peterson (1997)). These authors note many merits associated with decentralization; they highlight that decentralization can:

- Create government programs that more adequately fit the population's preferences;
- Broaden levels of representation within the political realm;
- Provide more efficient returns on government expenditures especially in relation to marginalized groups;
- Construct stronger links of accountability within all levels of government;
- Increase and strengthen citizen participation at all levels of government; and
- Provide a channel for dialogue between different levels of government.

Whether these benefits are reaped in any specific setting depends on many of the factors discussed below. The political institutions involved in decentralization within any government have the capacity genuinely to decentralize power and resources or they can retard those same processes (Garman et al. 2001). This understanding of the merits of decentralization helps to focus attention on the opportunities that can result from initiating the process and provides a backdrop for the discussion of the three groups of factors that influence decentralization programs: stability, depth and breadth.

Stability

As noted earlier, national governments in Latin America have traditionally been heavily centralized. The benefits that accrue from the implementation of decentralization programs depend on the context within which the process takes place. Table 2 presents a series of factors that influence the stability of decentralization. It provides an explanation of each factor along with examples of countries that exhibit that trait.

Among the factors listed, it is necessary to draw out a few of the more important themes. First, the political context within which decentralization takes place is of paramount importance. Many authors (Montero 2001, Escobar-Lemmon 2001, Scarpaci and Irrázaval 1994) note that the structure of a country's political system (e.g. federal or unitary) is a key factor determining the success of their decentralization programs. Escobar-Lemmon (2001) found that there is a statistical correlation between the level of decentralization and the structure of government. Federalist governments are more likely to pursue decentralization or already exhibit characteristics of decentralization than unitary systems. However, recent trends show that unitary systems such as that in Guatemala and most Central American countries are beginning to decentralize their administrations.

Second, the structure and functioning of national level political parties affects the process and stability of decentralization measures. Of particular interest is the connection that national level parties have with local level political structures. If party control is centralized with a hierarchical structure that controls career advancement within the party based on loyalty, then decentralization is more likely. This is because national level leaders would, at least nominally, be able to maintain control over the distribution of

these resources and the political outcomes that result from their distribution (Garman et al. 2001, Rowland 2001). For decentralization to be promoted at the national level, the party would need to control a large proportion of local level governments. The *Partido Revolucionario Institucional* (PRI) in Mexico and all national level political parties in Guatemala demonstrate how political parties promote decentralization measures based on the political party's prominence at the local level.

Third, historical legacy is another important variable that determines the likelihood and success of decentralization programs. In all of Latin America, the colonial legacy still plays an important role in levels of centralization. Scarpaci and Irrázaval (1994) point to the fact that, traditionally, centralization served the needs of colonial rulers by creating territorial unity, increasing tribute collection and hindering inter-regional trade and communication. Centralization traditionally served a unifying purpose in Latin America. However, the extent to which countries have been able to modify this tendency can help or hinder goal attainment of decentralization programs. For example, although Brazil shares a similar history with the rest of Latin America, a number of states and municipalities have developed and institutionalized participatory budgeting within their political culture. Historical legacy combined with recently constructed traditions has strong impacts on the stability of decentralization programs.

Fourth, the stability of decentralization measures is strongly influenced by who will benefit from their institutionalization. "Decentralization results from a bargaining process among politicians at different levels of government" (Willis et al. 1999, 17). Decentralization is a political maneuver where politicians push for or fight the implementation of programs to decentralize depending on the rewards or consequences that will accrue to them as a result of the implementation of these programs. As a result, the stability of decentralization programs can be seen in light of *who* is pushing for or limiting their implementation.

Eaton (2001) conceptualizes this by creating a distinction between whether decentralization programs are initiated from the top-down or from the bottom-up. A top-down push for decentralization results when national leaders view it as a means of relieving central government of fiscal responsibilities during times of macro-economic fiscal crisis. Decentralization can also lead to higher levels of respectability for the central government and their administration at all political levels, or it can take place as a result of a push for democratization at the behest of national leaders. These top-down strategies are responses to temporary events and are examples of decentralization that does not have much stability.

Indeed, some authors highlight the fact that decentralization is often used as a tool to meet temporary objectives of the current administration and not as a means of more effectively providing government services to the population. Montero (2001) underscores this by providing examples where re-centralization occurred when central government ideals or needs changed. For example, during the late 1980s the Peronist government of Menem re-centralized tax revenues (but not their accompanying responsibilities) to avoid fiscal crisis.

Table 2: Factors that Influence the Stability of Decentralization

Factors Affecting Decentralization	Explanation	Examples/Observations
Type of government structure (Escobar-Lemmon 2001,	Federalist v. Unitary structure is significant. In Federalist governments power is constitutionally distributed whereas in an Unitary systems presidents can unilaterally adjust levels of decentralization	Federalist Governments: Mexico, Brazil, Argentina, Venezuela Unitary Governments: Bolivia, Colombia, Guatemala, Honduras, Perú, Uruguay
Political party structure (Garman, et al. 2001, Rowland 2001)	If the national political party controls local level also, they want to decentralize to bolster party politics at the local level and build their constituency.	Variable. Party politics and allegiance are common to most Latin American countries.
Historical legacy (Willis et al. 2001, Scarpaci and Irrázaval 1994)	E.g. in nations where there is a history of strong non-national governance, the possibility of decentralization is greater; where little history of civic participation exists, it is more difficult to increase present levels.	Examples: Brazil (participatory budgeting) Argentina (<i>co-participación</i>) All countries 'Over-centralization'
Ability to negotiate (Willis et al. 1997)	Decentralization depends on the different levels' negotiating positions. If non-central governments' position is weak, little decentralization will occur.	Variable. Ability to negotiate requires access to dialogue with national leaders, knowledge of functions and responsibilities, and ability to articulate desires.
Political maneuvering (Willis et al 2001, Eaton 2001, Montero 2001)	There are benefits and drawbacks to the process of decentralization, legislators or presidents will decentralize only if there is a benefit to them.	Variable. Each country has its own relation to the following factors: timing of elections, control over discretionary transfers, national fiscal problems, and etcetera.
Country size (Escobar-Lemmon 2001, Willis, et al. 1999)	The size of the territory held by a nation determines the level of decentralization. Larger territories need lower levels of government for effective administration.	Large countries: Brazil, Mexico, Argentina Small countries: All those of Central America, Paraguay, Uruguay
Capacity to coordinate (Montero 2001)	When lower levels of government are capable of coordinating their efforts to increase decentralization, it facilitates this objective.	Variable. Depends on traits and capacity of non-national politicians and the responsiveness of the central government. Existence of organizations of local level leaders facilitates access to national level politicians.
Level of human development (Escobar-Lemmon 2001)	Level of human development impacts decentralization; capacity of local institutions.	Influences ability to capitalize on opportunities.
Level of central control (Scarpaci and Irrázaval 1994, Escobar-Lemmon 2001)	If central government administrators or functionaries micro-manage primarily local level affairs, then it will retard decentralization.	Variable. Chile – Municipal Development Plans, community development. Most LA countries – education and health programs are determined at the national level.

Decentralization that is pushed from the bottom-up typically attempts to increase local power in relation to the central government. This approach is witnessed primarily in nations with stable democratic political structures. In these instances, decentralization is pushed for locally in order to establish and strengthen local capacity for governance.

This section has dealt with the *stability* of decentralization in the context of Latin America. As presented here, stability is primarily concerned with the political and social context within which decentralization efforts evolve in Latin America. Stability can be understood as a combination of the history and potential longevity of decentralization programs within any nation. It also carries an implied understanding of the cultural and socio-political context that either strengthens or limits the feasibility of decentralization measures. Therefore, in order to conceptualize the stability of decentralization within any country requires a solid understanding of the national and local contexts within which decentralization programs are designed and implemented. Section II discusses the context of Guatemala.

Depth

When discussing decentralization, it is important to consider the level or *depth* of decentralization measures. It is safe to say that a country that enables its local governments to levy their own taxes in order to cover their own programs is more decentralized than one that does not. This section deals with the depth of decentralization within Latin America.

Five components of decentralization programs contribute to depth:

- 1) The quantity or level of fiscal transfers from national level governments to local levels.
- 2) Enabling legislation that permits/requires local level governments to collect taxes to fund locally initiated programs and responsibilities.
- 3) The level of national level enforcement mechanisms of decentralization laws.
- 4) I introduce the concept of cooperative deconcentration.
- 5) The transfer of responsibilities to local level government.

Fiscal transfers

Because municipalities rely heavily on the transfer of funds from the central government³, these transfers warrant an extended discussion. Fiscal decentralization, or the transfer of funds from the central government to local levels, is based on the theory of fiscal federalism. This theory claims, “each public good and service should be provided by the jurisdiction that would most fully internalize its benefits and costs” (Garman, Haggard and Willis 2001, 204). This theory holds that service provision at the local level results in programs tailored to the preferences of the population at the local level. As a

³ For example, in the vast majority of municipalities in Guatemala, over 90% of a municipality’s income is derived from these fiscal transfers from the central government (FUNCEDE-Fundación SOROS 2001).

result, service provision goals and programs designed and administered at the local level have a better chance to improve welfare at the local level.

At the same time, the transfer of responsibilities from the central government needs to be accompanied by the transfer of funds. These transfers aim to achieve what Bird and Smart (2002) call ‘vertical fiscal balance.’ That is, transfers aim to ensure that among the different levels of government their revenues are approximately equal to the needs the funds fulfill. If local governments are incapable of fulfilling new responsibilities for lack of funds, then there is a vertical fiscal *imbalance*. Consequently, the transfer of responsibilities from the central government requires the transfer of sufficient funds or the capacity to generate revenue.

There are two ways that a central government transfers funds: automatic transfers and discretionary transfers. In Latin America automatic transfers are typically ordered by the governing constitution and are figured by some prescribed formula. Every country has their own formula that depends on national and local needs. However, there are many factors that are common to the majority of countries, among them: territorial size of the jurisdiction, taxes paid by residents of the jurisdiction, population size, the number of communities within the jurisdiction, and level of need or development at the local level (Escobar-Lemmon 2001, Eaton 2001). Automatic transfers are intended to satisfy daily operating expenses (e.g. payroll and supplies) and basic services (e.g. street lighting and other utilities) of local governments. Where funding levels support it, these funds are also used in program development and infrastructure projects.

As a general rule, larger ticket items such as infrastructure projects and large-scale improvements to services are often funded on a discretionary basis through transfers from central to local levels of government. Often these discretionary transfers are for the provision of services that are the responsibility of national government, such as health and education programs. National funds are transferred to local levels through a series of negotiations based on projects or programs that are of interest to both national and local level politicians (Bird and Smart, 2002).

The ‘proper’ role of discretionary transfers is rather complicated. Bird and Smart (2002) suggest that “discretionary or negotiated transfers are always undesirable”(p. 902) because of the inherent risks involved in distribution to political affiliates, corruption, or other political and social imbalances in transfer mechanisms. On the other hand, they add that: “When local governments serve as agents of the center in providing necessary services, some conditionality is often desirable”(p. 905). That is, when central governments transfer funds to local governments to cover service delivery costs typically assumed by the central government, rules should be placed on how the funds need to be spent. This is in contrast with the funds that are transferred discretionally from the central government to cover expenses that are not the traditional responsibility of the central government.

Scarpaci and Irrázaval (1994) help to clarify this issue. Within discretionary transfers there exist two sub-categories. First, there are specific-purpose transfers from

the national government to local levels to perform specific tasks generally associated with the central government (e.g. primary health and education). Second, there are negotiated transfers between national and local levels that are fully discretionary based on negotiations between national leaders and local governments.

The level of constitutionally mandated transfers varies among different nations. Escobar-Lemmon (2001) notes that for the region, between 1985 and 1995 subnational spending increased by 5.9% as a percentage of total government spending. During this period, federal states increased their distribution by an average of 12.2% while unitary states increased local spending by only 4.2%. Within the federal states there is wide variation: Local and state level governments in Mexico are in charge of only 12.3% of expenditures while in Brazil, these two levels are in responsible for 63.5% of spending. In unitary states the variance in percentages is equally great: in Colombia subnational levels are responsible for 39% of spending while in Costa Rica they are responsible for only 2.3% of total government spending (Willis et al. 2001). In a study of Argentina's system of *coparticipación*, Eaton (2001) highlights the intense variability of these transfers according to national level politics. For example, Argentina's last military government decreased transfers 44% while in the next 15 years transfers increased a total of 195%.

In Latin America it is obvious that transfers within countries are quite variable. If the central government does not want to transfer centrally collected funds to local levels of government, there is always the option of providing local levels of government with the ability to generate revenues themselves.

Enabling Legislation

State and municipal revenue generation capabilities are controlled by national level politicians either through the national constitution, municipal code, or a combination of the two. As a part of their decentralization programs, central governments can require or provide local and state governments with the opportunity to levy and collect taxes. This type of legislation is *enabling* in that it permits local governments to capture funding that is not dependant upon the central government.

Municipalities and state level governments are often given the opportunity to collect taxes on property or services rendered at the local level. For example, Slack (2001) notes that property and other locally collected taxes are important revenue sources for subnational governments. These funds are important contributors to the fiscal and political autonomy of subnational governments. Other taxes that are sometimes applied at the local level are: retail sales tax, user fees, those based on improvements to services and infrastructure, and 'land value increment taxes' as they are used in Argentina, Colombia, and Mexico.

Enforcement

Decentralization is not meant to remove national politicians from participating in local level affairs. Rather, it signals a change in the relationship between the two levels. Rowland (2001, 1385) emphasizes this in the following passage:

The argument is that decentralization does not imply that central agencies simply step aside, but rather, that they engage in a new set of tasks to help both local governments and citizens reap the benefits of decentralization. These tasks include support for administrative capacity building in local governments, as well as the development of systems to monitor and evaluate local government performance and make this information widely available to residents.

It is important, then, that the central government continue to play an active part in the functioning of local government. This is especially true during the implementation phase when local governments assume new responsibilities.

In principle, instead of relieving central governments of their responsibilities, decentralization creates new ones for it. One of these responsibilities is that national governments should ensure that the goals of decentralization are met at the subnational level. Rowland (2001) and Garman, Haggard and Willis (2001) suggest that a certain level of commitment from the national level will go a long way to ensure that decentralization measures will produce the desired results. Among the most important methods that central government can proactively ensure that local government reap the rewards of decentralization are:

- By providing clear and enforceable legislation that adequately and clearly details the responsibilities of each level of government;
- Through demonstrating respect for the ‘autonomy’ of local (especially municipal) governments;
- In the creation of mechanisms to sanction local governments that do not implement or meet the goals of national decentralization programs; and
- By establishing programs whereby subnational governments can increase their political and administrative capacity.

Indeed, central governments need to assume these new responsibilities that directly affect the efficacy of decentralization programs. Their continued participation in local governance can also be demonstrated through cooperation with local governments in their pursuit of local development.

Cooperative deconcentration

Scarpaci and Irrázaval (1994) note that in Latin America many national governments have confused decentralization with deconcentration of national government. This distinction is important because it determines where the ultimate decision-making authority lies: at the national or the local level. Within deconcentration there are different varieties. Ebel (1999) suggests that deconcentration is the transfer of

funds and responsibilities from central ministries to ministries at the local level. However, *deconcentration with authority* suggests that local level ministries have some independent ability to make decisions and implement programs. On the other hand, *deconcentration without authority* exists when local branches of ministries have no capacity to make decisions or create programs independent of central ministries. That is, all decisions need to be approved at the central level.

Technically, deconcentration is not a part of decentralization. However, deconcentration with authority, or what I call cooperative deconcentration can positively influence the autonomy and capacity of local level governments. If a locally based national level ministry has the power to make decisions that affect the local level, and they share this responsibility by actively engaging local governments or the population, then this cooperation can promote the end goals of decentralization.

Responsibility

In the context of this discussion, responsibility refers to the different tasks that are decentralized. Every policy, program or project contains many different tasks associated with it. Some of these tasks are the design, implementation, evaluation and the dissemination of information. If the only tasks decentralized are, for example, those associated with the collection and dissemination of information, then the level of responsibility given to local governments is shallow. On the other hand, if the level of responsibility transferred to sub-national level governments entails design, administration, implementation, and monitoring of a program or project, then the responsibility and level of decentralization is much deeper.

Breadth

This third and final component of decentralization deals with the breadth of coverage of decentralization programs. There are two factors that are important in this component. First, the level to which the central government decides to transfer resources or decision-making capacity. And second, the policy areas that the national government decides to hand over responsibilities to lower levels of government.

There are two common levels to which the national level government can transfer responsibilities: the provincial or municipal level. In Latin America all municipal governments are presently popularly elected, but at the state or regional levels, the majority of representatives are still appointed by the president or political party that controls the presidency (Peterson 1997). Federal states tend to popularly elect their provincial representatives. Whereas Uruguay and Ecuador are rarities for unitary states in that they allow elections of their provincial governments. If the transfer of funds is to national party functionaries at the provincial level that respond to national level party interests, then decentralization programs are not very broad.

What would broad decentralization of policy areas look like? It would cover many of the functions of the different ministries within the national government. Health and

education are two of the primary policy areas discussed when speaking of decentralization. However, local economic development, agriculture, and the environment are also policy areas whose tasks and decision-making can be decentralized.

These three groups of factors that influence decentralization create a framework for understanding the influences and constraints on how decentralization programs are implemented within specific contexts. The general trend towards decentralization of the state in Latin America is the result of internal and external pressures on the region's national governments. Within this trend, the specific paths of decentralization taken by each country are different from the others within the region. The next section discusses the path towards decentralization followed by Guatemala.

Section II The Guatemalan Context

CHAPTER IV DECENTRALIZATION IN GUATEMALA

Regarding decentralization, Guatemala shares a common history with its Latin American neighbors. This section focuses on three related but distinct themes. First, I present a brief treatment of the history that underlies present decentralization measures in Guatemala. Second, I discuss three new laws that currently guide decentralization efforts in Guatemala. And, third, I place Guatemala in the decentralization framework of stability, depth, and breadth discussed above.

The History Leading to Decentralization

After gaining independence from Spain in 1821, Guatemala has variously been led by military dictators, liberals, and conservatives. Prior to the October Revolution of 1944, there were two presidents that designed the broad legal and governing structures that characterize Guatemalan government's relationship with its population.

General Justo Rufino Barrios came to power in 1871 and established a 'liberal' regime that centered on developing the emerging coffee plantation system that continues to dominate Guatemala's export earnings today. Because of the prominence of the coffee market, the government provided explicit legal help to coffee producers through the promulgation and enforcement of forced labor laws as well as concentrations of land in the hands of major producers. This period resulted in the further disenfranchisement of the indigenous population and increased control of government decisions by landed elites.

During the dictatorships of Manuel Estrada Cabrera (1898 – 1920) and Jorge Ubico (1931 – 1944), government relations with the average population further deteriorated. Both leaders were 'liberal' dictators that aided the building of a national economy that benefited the landed elite while continuing the long trend of marginalizing the poor. Their dictatorships are renowned for a lack of public participation and high levels of centralized decision-making.

In 1944 Guatemalans decided that they had had enough. The October Revolution of that year led to Guatemala's first democratically elected presidents Juan José Arévalo (1945 – 1950) and Jacobo Arbenz (1951 – 1954). These two presidents initiated reforms that included laws to ensure rights to public participation, organization, modern labor laws, and agrarian reform, among other basic democratic liberties. However, the United States, under prompting from the United Fruit Company, aided an 'intervention' that led to the overthrow of Arbenz and the installation of a right leaning military dictator. Jonas (2002: 256-261) describes this period following the anti-Revolution:

[Carlos Castillo Armas] immediately reversed the democratic and progressive legislation of the Revolution, including everything from the land reform and labor laws to literacy programs . . . all pro-Revolution

organizations and political parties were declared illegal . . . the government also unleashed a wide-ranging witch hunt and McCarthy-style repression campaign that cost the lives of some 8000 supporters of the Revolution and forced thousands of others into exile or hiding. . . . [The violent end of the Revolution] was to compound the social polarization already characteristic of Guatemala.

In turn, this led to the social foundations for the intense civil war that wracked social, economic and democratic development in Guatemala. During the 1970s and 1980s the internal civil war grew in intensity. Civil Action Patrols were created to help rural communities ‘defend’ themselves against insurgent guerrillas as well as to purge themselves of any ‘undesirable’ elements. From 1981 to 1983 over 400 villages were entirely destroyed and up to 150,000 civilians were killed or ‘disappeared’ (Jonas and Walker 2000). As a result of this intense violence directed mostly at the rural population, rural and urban inhabitants did not dare question the dictates or orders that came from the central government.

However, many powerful sectors within Guatemalan society recognized the need to cloak the national government in a system that was at least nominally supported by constitutional law. The new constitution of 1985 was the result of this attempt to regain legitimacy. It also witnessed the opening of discussion between the national government and many of the largest guerrilla factions. These discussions eventually led to the signing of the Guatemalan Peace Accords in 1996.

By signing the Peace Accords, the national government, local governments and civil society have placed a high priority on the decentralization of the state in Guatemala. Among other aspects, the Peace Accords called for decentralization of the health system, increased citizen participation, recognition of traditional forms of organization, the transfer of power and resources to local levels of government, and an increase in efficiency at all levels of government (FUNCEDE 2002).

The Peace Accords set in motion a process to increase the level of representation and participation of all sectors within the population. Primary steps were taken by the central government to slowly address the concerns and ideas listed in the Peace Accords, however, not until the creation of three new laws in 2002, did the central government codify these efforts.

Three Laws

From April to May of 2002, the national legislature signed into law three pieces of legislation that were priorities of many governmental and civil society actors within Guatemala. These three laws represent an important step in the decentralization of the government within Guatemala. They are the General Law of Decentralization, the Law of Urban and Rural Development Councils, and The Municipal Code.

The General Law of Decentralization⁴ is the cornerstone of the three laws because it establishes the new roles of the central and local governments as well as the population. It is important to consider that the goal of decentralization is to “transfer the administrative, economic, political and social competencies of the executive branch to the municipality and other institutions of the State” in order to achieve an “adequate development of the country”(Article 1). In addition, the law calls for an increase in civic participation in decision-making, the transfer of funds, responsibilities, and skills to municipal governments, and increased efficiency in the provision of basic services to the whole population.

The intention of the General Law of Decentralization is to provide a framework for the decentralization of the state that takes into account two factors. First, decentralization must promote and recognize the right and responsibility of the general population to participate in the development of their locales in an organized and sanctioned manner. Second, central government must transfer responsibilities, funds and skills to lower levels of government, especially at the municipal level. The Law of Decentralization provides the foundation for the changes in the other two laws described below. It also supports the changes that will influence other legislation in Guatemala.

The Law of Urban and Rural Development Councils⁵ promotes an increase in the active participation of organized communities in decision-making at all levels of government. This law represents a drastic change from the almost universal denial of constructive and active participation that characterized the 1970s and 1980s. This law is explored more completely in Chapter VII.

Finally, the new Municipal Code⁶ contains many elements that are fundamental to the decentralization of the state in Guatemala. First, it requires that municipalities establish a technical office in charge of planning and executing development programs and projects. Second, it provides the municipality with the power to levy various taxes to increase its fiscal autonomy from the central government. Third, it explicitly states new responsibilities of the municipal administration that they have to assume in light of decentralization. The new Municipal Code is discussed more fully in Chapter VII.

It is not happenstance that these three laws were signed into law within a span of less than two months. Indeed, they set out a framework for decentralization in Guatemala that includes citizen participation and the transfer of funds and responsibilities to municipal governments.

⁴ Decree number 14-2002, was signed into law May 10, 2002. Comisión Presidencial para la Reforma del Estado, la Descentralización y la Participación Ciudadana (2002)

⁵ Decree number 11-2002, signed into law April 15, 2002. Comisión Presidencial para la Reforma del Estado, la Descentralización y la Participación Ciudadana (2002)

⁶ Decree number 12-2002, signed into law May 9, 2002. Comisión Presidencial para la Reforma del Estado, la Descentralización y la Participación Ciudadana (2002)

The Framework of Decentralization in Guatemala

The framework of factors influencing decentralization presented in Chapter III sheds light on the level of decentralization in Guatemala. However, it is first necessary to highlight two limitations of the framework. First, it presents a static picture. The framework does not have the capacity to predict outcomes nor address inconsistencies. Second, as it is laid out here, the framework is suitable only for an estimation of where a country lies in its process of decentralization. Given these limitations, the framework helps to suggest some of the problems and opportunities that Guatemala confronts in its path towards decentralization.

Stability in Guatemala

The political and social context within which decentralization is taking place is quite unstable. To begin with, municipal governments are overly reliant on funds transferred from the central government. Although these new laws transfer the ability to levy taxes at the local level to municipal governments, most administrations find it politically and socially impossible to do so. Indeed, when municipal governments attempt to levy new taxes it is not uncommon to witness violent acts against these municipal authorities (Valdez and Barillas 2002). Local populations do not trust local administrations to apply tax revenues for the common good, rather, they see it as yet another form of corruption.

The capacity to adequately manage their affairs that exists within each municipality is variable. Di Totta (Interview, 2002) highlights that in some areas municipal staff have master's degrees while in others their education and experience are limited to the equivalent of high school. These differences relate directly to the vision of the municipal administration as it relates to its role in the local development process. That is, many mayors and municipal corporations see their political power as a means to provide work and other benefits to their families and friends.

However, the national government requires that municipal administrations create new technical offices to meet their increased responsibilities. Municipal manager, internal auditor, and planning offices are among these new offices/positions established in the new Municipal code and supported by the process of decentralization (Interview, Granados, 2002).

The opportunity to decentralize central government is a priority for all sectors within Guatemala. The central government wishes to decentralize in order to establish a stronger democratic tradition and to relieve itself of fiscal responsibilities. Municipal administrations and the associations that represent them want decentralization to provide more local control over resources and the path towards development. And, finally, civil society organizations are interested in decentralization for its ability to promote both democracy and self-determination in Guatemala's multiethnic society.

Guatemala, along with many other nations, has to confront the breach between what laws say and the actions that take place. Along with the other two newly established laws, the Law of Decentralization will require that all members of Guatemalan society work together to ensure that the laws are followed and that municipal administrations are held accountable for the responsibilities and opportunities now entrusted to them.

Depth in Guatemala

The depth of decentralization in Guatemala has grown considerably since fiscal transfers were first initiated with the Constitution of 1985. That Constitution transferred 8 percent of central government revenues to municipal administrations. At present, municipal administrations receive 10% of these revenues as well as portions of other taxes collected at the national level. However, the depth of decentralization does not stop there.

The new Municipal Code gives the right and obligation of collecting taxes to municipal governments. Among others, the municipality has the right to collect taxes on services it provides, improvements whose benefits accrue to specific groups, and real estate. However, as noted above, in many cases these taxes are not acceptable to the local population. Therefore the central government has a definite role in helping municipal administrations to meet their taxation responsibilities.

In the Law of Decentralization, the national government is implicitly charged with aiding the municipal government to meet its responsibilities to improve its collection of local financial resources. National government bodies are charged with the responsibility of providing technical assistance to municipal governments to improve their capacity to administer municipal affairs. For example, the Institute of Municipal Fomentation has established mechanisms to help municipal governments to meet their responsibilities and to recognize that decentralization is a process that will take time to meet its specific and general goals (Interview, Granados, 2002).

Finally, the Law of Decentralization calls for each branch of the central government to work cooperatively with municipal administrations. In various articles this law states that each branch of the central government is obliged to work cooperatively with local administrations in the development of projects and programs that pertain to these common jurisdictions. However, what the law states and what happens in practice are oftentimes two different things. Indeed, the mayor of Santa Cruz del Quiché resigned his party affiliation (with the governing party) precisely because the local offices of the social funds⁷ were not cooperating with the expressed desires of the local administration.

Breadth in Guatemala

Because the president appoints departmental or provincial authorities, the benefits and responsibilities of decentralization accrue mainly to municipal administrations.

⁷ These social funds are the central government's way of transferring discretionary funds for specific development projects that the central government and (generally) the local government agree to.

However, with the Law of Urban and Rural Development Councils, the central government has also given priority to the institutionalization and recognition of legally recognized community groups.

The policy areas covered by this decentralization program are set forth in Article 7 of the Law of Decentralization. It states that education, health and social welfare, citizen security, environment and natural resources, among others are priorities in the decentralization program being carried out. This makes all the more sense because of Guatemala's multicultural and multilingual society.

In Guatemala the process of decentralization is comprised of both technical aspects and far ranging socio-economic goals. The municipal development plans discussed in Chapter VII embody many of these goals and they provide a framework for initiating the technical training required of the present decentralization program.

The colonial, independence and recent histories that led to the current push for decentralization in Guatemala highlights the complexity of the social, political and economic factors that influence power relations within the country. Despite recent legislation and continued international pressure to continue the process, the goals of decentralization face roadblocks not only at the national level, but at the local level also. Before discussing municipal development plans, the following chapter on *poder local* focuses on the power relationships that exist at the local level and links the present decentralization initiative, local power relations and the role of participation in changing the existing power relationships at the local and national levels.

CHAPTER V PODER LOCAL & PARTICIPATION

Drawing from its two component words, *poder local* deals with the interactions of power at a ‘local’ level. More concretely, *poder local* describes the power relations between different actors in their quest to control or influence local public decision-making outcomes.

This definition raises a number of questions. First, how is power itself conceptualized within the framework of *poder local*? Second, what is ‘local’ in the Guatemalan context? Third, what are the commonalities and differences among competing definitions of *poder local*? These questions are addressed in turn in this chapter.

Power (*poder*)

Authors attempting to tackle the theoretical underpinnings of *poder local* spend most of their time trying to unravel the meaning of power. This section will deal with how power is conceived by authors that have written about *poder local* within the Guatemalan context.

Conceptually, power is neutral. It is only when power is used in a social setting that is observable. Gálvez et al. (1998, 31) declare that there are “three essential elements of power: its inherent character in all social relations, its causes and its social effects.” Among other social relations, church affiliation, the purchasing of goods, and mere socializing can be seen through a perspective of how these actions affect one’s power quotient. Seen in this light, power exists in a constant state of flux where the basis of power can change according to how it is used, how it is maintained, and whether or not it is perceived as positively or negatively affecting the context within which it is being exercised.

Two other aspects of power should briefly be explored before moving on to a more concrete treatment. First, within any society there are different types of power that can be used by individuals or institutions to control, assist or manipulate others. These categories may include political, economic and religious power (Gálvez et al. 1998). It is important to distinguish between these categories of power because each has its own leaders that are, to some degree, autonomous from those that have power in the other categories. That is to say, religious leaders have the capacity to govern and influence their parishioners in a way that most political or economic leaders cannot. The same applies to political and economic leaders.

Until recently, within the context of Guatemala, political power rested in the hands of the military. Gonzalez (1999, 32) succinctly states, “One of the fundamental characteristics of this [post independence] period is, that to be able to create a government, you need to be military.” Guatemalans are just now beginning⁸ to

⁸ In 1996 the political establishment and a ‘union’ of all the revolutionary forces signed a Peace Accord, thereby ending 36 years of internal conflict.

experiment with democracy once again, and the memory of the heavily centralized, dictatorial past is very present at all levels of government.

Given Guatemala's historical tendency, this discussion of power needs to entertain two interrelated concepts: levels of power and autonomy. Decision-making power is expressed within family units, in small groups of individuals, in communities, in organizations, at the municipal, national and international levels (Gálvez et al. 1998). At each of these levels, members are capable of influencing other levels both 'above' and 'below' them depending on the kind and 'quantity' of power they have and their level of autonomy from the other actors.

Autonomy here refers to the ability of an actor (i.e. group or individual) to act or prohibit the actions of another group or individual. In Guatemala, when autonomy is discussed at all by politicians or the populace, it is only mentioned as it relates to the ability of municipal administrations to make decisions that are important to them without the interference of 'outside' actors. However, as it is defined here, municipal governments have little real autonomy in Guatemala because power and financial resources continue to rest with national level political and economic leaders. For example, although municipal governments have ostensibly been granted autonomy through national, formal legal structures⁹, they are still heavily reliant on the national government for financial resources and the spending requirements that accompany these funds. These national legal structures are the basis of another distinction between different forms of power.

Yagenova (1999) distinguishes between three different forms of power: formal, non-formal and *contrapoderes*. Simply stated, formal power is exercised and legitimized by state structures through the creation of legal frameworks to govern those within its territory. Non-formal power is the exercise of power by those individuals and groups that operate outside of state structures (e.g. private enterprise and NGOs). Finally, we come to her concept of *contrapoderes*, which are those actors that "in the defense of the interests of groups or the collectivity, generate actions aimed at diminishing, weakening or socializing the existing principal means of decision-making within a territory." (p.13) This is an important contribution to the study of *poder local* because it accounts for those actors that have an interest in the outcome of a policy and the ability to promote their perspective in decision-making processes, but who do not enjoy the 'respect' of holding formal or non-formal power. *Contrapoderes* tend to be representatives of socially or economically disenfranchised groups.

Analogous to cultural artifacts found when conducting an archaeological dig, in order to be understandable discussions of power require an understanding of the context from which they.

⁹ Article 3 of the Municipal Code, Decree 12 - 2002. This new code was enacted along with two others, the General Law of Decentralization (Decree 14 - 2002), and the Law of Urban and Rural Development Councils (Decree 11 - 2002). These laws reflect the present administration's attempts to codify and promote new responsibilities and options for municipal government and the multicultural population of Guatemala. They will be referred to periodically throughout the rest of this document.

Local

To many authors, 'local' can be easily brushed aside with a simple definition such as: "A community of individuals: men, women, youth, boys and girls who share a distinct territory. [And] a geographic area." (Yagenova 1999, 14). Therefore, in the literature from Guatemala, 'local' is the municipality because it is the level of officially elected government closest to the population¹⁰.

There are two reasons why the municipality is used, both of which present theoretical and practical problems for investigators. First, the municipality is generally a broad enough geographic area with enough activity to warrant specific treatment without being so large that 'local' loses its specific, unifying context. The problem here arises from the assumption that within a municipality there exists a limited amount of heterogeneity amongst the population. However, many Guatemalan municipalities are more complex than most authors (e.g. Gálvez et al. 1998 and Reyes 1998) allow for and this complexity is not portrayed in the theoretical or investigative portions of their studies.

Municipalities generally have quite complex internal organizational structures and oftentimes they cannot be treated as a single, coherent whole. Within one municipality there exists an urban area (the *cabecera municipal*) and rural areas that contain a wide range of different types of communities, all of which have differential access to the municipal administration and face their own specific sets of problems. In one municipality there can exist many different cultural backgrounds including *Ladinos* and a few of the related but distinct Mayan groups¹¹.

Second, and more importantly, the municipality is the closest center of political power with an immediate and direct influence at the local level. By choosing to focus on the municipality, many authors (e.g. Gálvez et al. 1998, Rosales et al. 2000) limit their study to the municipal administration and its relations with the population as a whole. Authors that focus on the municipality because it is the seat of political power are limiting their investigation to the study of formal power at the local level and not to the myriad other forms of power that influence the character of a local area¹².

In addition to limiting their study to formal power at the local level, investigators who focus on the municipality because it is the seat of political power tend to ignore the type and quality of relations that exist between municipal administrations and their various constituencies or the other actors that play roles at the local level. These

¹⁰ Although the national constitution recognizes and legitimizes citizen associations and establishes the community formation of *aldea*, *caserío*, *cantón*, *barrio*, and *pareja* among other more local community denominations, each with their own forms of representation, *all authors* I found placed *poder local* in the hands of the municipal administration

¹¹ There are between 22 and 24 different Mayan languages spoken in Guatemala and, oftentimes, two cities, laying only 50 or so miles apart from each other can differ markedly in their cultural and social traits.

¹² For example, there are indigenous mayors, *cofradías* (religious organizations), local committees, and traditional Mayan leaders, among others.

relationships are characterized by strain and confrontation because the interests within one municipality are very diverse. An adequate study of *poder local*, therefore, needs to be founded on a recognition that ‘local’ contains more than *just* a ‘delimited geographic area.’

In trying to understand ‘local’ we need to realize that what local ‘is’ is more than just a boundary encasing a non-descript mixture of ‘things’. It is a convergence of factors and actors all with their own private and public interests who are confined to ‘a delimited geographic area.’ The delimited geographic area is of no concern without the context that gives the area texture and significance. For example, Macleod (1997) examines the local context with respect to political power relations between the central and municipal governments, discussions of relevant ethnic traits, historical factors, the actors involved at the local level, and pertinent religious aspects. Upon including these different aspects, local begins to take on a new, specific character.

Local and power, when combined, provide a more complete understanding of the contexts within which power is used at the municipal level in Guatemala. It is to this that the discussion now turns.

Poder Local

There are three different camps within the literature on *poder local*. For present purposes, these camps are defined by the actor group where they choose to focus their attention. First there is the camp that focuses on the municipal government, I call this camp ‘government first.’ Second, there is the camp that focuses on the population, which I term ‘power to the people.’ Finally, laying somewhere in between the two previous camps is the group of people that focus on both the municipality *and* the population, or the ‘local unity’ camp. Table 3 outlines the major points of agreement and disagreement between these different camps.

Table 3: Commonalities and Differences in Perspective on *Poder Local*

	Legal Foundation	Key Actors	Key Areas of Work	Key skills needed by participants to assume new responsibilities
Points of agreement	Respect for Law as a structure for intra- and extra-municipal relations.	The municipality.	Democratization; Respect for (or fear of) the groups they do not focus on.	Negotiation, Problem solving
Government first	Constitution, Municipal Code. Law of Decentralization.	Municipal administration: <ul style="list-style-type: none"> • Politicians • Technical staff • Administrative staff 	Decentralization and deconcentration of the central state. Professionalization of municipal administrations.	Technical/ Administrative <ul style="list-style-type: none"> • Planning • Accounting • Budgeting • Communication
Power to the people	Constitution. Law of Urban and Rural Development Councils. Rights and	Municipal planning offices. Community groups and other	Empowerment. Civic participation. Pro-active interaction with	Education (Civic, general). Communication Creative thinking.

	obligations of citizens. Social norms and ideals.	organizations with a presence at the local level.	local and national government.	Community Organization
Local unity	See Above.	Works with both groups without dedicating significantly more attention to one over the other.	See Above.	See Above.

The prioritization of key actors, as perceived by each camp, directly determines the areas of work that receive attention. The discussion that follows explores some of these differences by highlighting important aspects from representatives of each camp.

Governmental organizations are the leaders of the group that place *poder local* almost exclusively in the hands of municipal governments. The National Association of Municipal Authorities (ANAM, 2001) mentions *poder local* only in relation to municipal authorities' relation to the legal framework that provides them with formal power. In the same publication (p. 7), ANAM also states: "As elected authorities they [the people] have delegated to us to carry the reins of municipal government." Without consultation of the population beyond the election, some municipal authorities believe that their ability to govern, divine and meet the population's desires and needs is rightfully and exclusively drawn from the election process.

Infopress, a respected worldwide news and information service, shares this perspective. The title of the article (November 26, 1999) "Municipalities: FRG Dominates *Poder Local*," shows how they conceive of *poder local*. It rests in the hands of municipal governments and, beyond that, in a national political party that is run by an ex-dictator responsible for some of the worst violations of human rights during the country's internal conflict.

Finally, NEXUS, a USAID funded project, also claims that municipal governments are the rightful protagonists of *poder local*. Their publication, *Municipal Dialogue*, is subtitled "the review for the strengthening of *poder local*." It is clearly stated in the introduction that the review focuses on the municipal administration and how it can improve the management of its affairs to meet the needs of the population it is serving. Some of the themes it treats are decentralization, municipal finances and citizen participation. Fairly stated, many authors within the publication consider *poder local* to be closely tied to citizen participation. However, they still fit comfortably in this grouping because they treat citizen participation only in its relation to the municipal government and not as an opportunity or latent force in its own right capable of defining its own direction in relation to or apart from the municipal government.

These three examples from a national governmental organization, a private news service, and a foreign financed governmental organization, show that there is a large contingent of thinkers that seek to strengthen *poder local* at the municipal level. However, it is not clear whether they think that *poder local* begins and ends with the municipal government or whether their focus is only on municipal governments resulting

from a limited work focus and not, primarily, out of deliberate exclusion of other local actors.

The second group places *poder local* outside of the hands of the municipal authorities, usually in the hands of community organizations. Macleod (1997) distinguishes *poder local* from formal local power (i.e. the municipality) by stating that *poder local* can include the municipality only when the municipality is willing to share its power with organized communities. And, Rivera (1998) claims that one type of *poder local* is the ability of local, private forces to influence the direction of the municipal government regarding the municipality's administrative and development programs. He claims that the exclusive focus on municipal governments as the seat of *poder local* puts at risk and excludes those forms of organization and expression of power that exist alongside the formal powers established by the state. That is, if organizations or the state choose to focus on and strengthen *poder local* at the municipal level, they will inadvertently curtail the abilities of and options open to civil society.

In accordance with this view, Iriarte (1997, 60) claims that *poder local* is the capacity of civil society organizations to flex their collective might, or an "alternative power" for those who have not had access to traditional power structures. This view seems to have its foundation in a well-recognized phenomenon in Guatemala: Distrust of the ability and desire of municipal governments to meet the needs of their constituencies. González (1997, 71) states this rather clearly: "the community does not recognize the authority of the municipal institution, it is seen more as an enemy of the community." As proof, he points out that in the first month of 1996 there were 41 acts of violence directed against municipal administrations. This trend has continued during the 5 years since his study took place.

The third group is more collective in its treatment of *poder local*. For example, Bravo (1998, 32) states that we are "obliged to know and fully practice the concept of the municipality, which, until now, is identified only as territory, limits, natural resources, and the municipal authority structure, without taking into account the role of the population that resides in them and, in particular, their representative [community] organizations." With the promulgation of the new Municipal Code of 2002, the central government expanded the view of what the municipality is to include local, oftentimes traditional, forms of organization and representation. As a result, laws crafted at the national level are promoting the sharing of local power and highlight the need to include the population in decision-making processes.

This third group is willing to accept the law as a guide and place *poder local* in a space where it can be shared among the municipal administration and representative community organizations. Valdés (1997) suggests that *poder local* has the possibility to play the role of reinserting the voice of the communities in municipal governance while at the same time legitimizing this level of government through organized citizen participation in decision-making processes.

Noticing this, Reyes (1998, 89) is the only member of this group to mention the need to understand the socio-cultural context that the community has developed in order to understand *poder local*. He states that “*Poder local* is more than a simple reference to local government; on the contrary, and as it is expressed in many studies, the variations are in accordance with the socio-cultural context,” which exist at the local level. It is this context that determines the level of involvement that can be expected from the community under consideration. Of course, the level of community involvement depends on other factors such as the political will of the administration and the participative or cooperative history of the community in question.

Although each of these groups has their own vision of what *poder local* is, they also share some characteristics that have helped to bring the concept attention at many levels of government, civil society, the academia, and in some communities. First, they share the belief that increasing capacity to self-govern at the local level will result in a more stable society. At the municipal level, local governments can increase their stability and autonomy through the imposition and equitable collection of property as well as other authorized taxes. At the community level, community groups can improve the well being of their members by proactively submitting well written project profiles to local, national and international agencies.

Second, they agree that a focus on the local level, however local is defined, has a better chance of producing locally needed development than centrally designed and administered programs. One of the key premises of decentralization is that local governments can more adequately address local, felt needs of their communities; at least much better than the national government can.

Finally, each of these groups call for increased participation on behalf of the population. At the local level many municipal authorities feel that citizen participation will lead to more violence because, traditionally, one of the most common manners of public involvement has been to threaten or carry out violent acts against the municipality and its administrators. In response, municipal authorities have typically withdrawn from the public their right to participate. In contrast, Rosales et al. (2000, 20) note that in their study of municipalities within Guatemala, “the establishment of mechanisms of public participation, does not reduce [municipal] power, rather the opposite, they strengthen and legitimize it.” Increased public participation, then, can lead to a strengthening of *poder local*.

Poder local provides a framework for understanding the changing contextual relationships between actors involved in decision-making at the local level. This framework provides a basis for understanding types of power, issues of autonomy, and the use of power involved at the local level. *Poder local* requires an examination of the local context where power is utilized and provides a means of understanding the influence that actions will have on local level power structures. The process of changing power structures at the local level requires a realignment of the participation of different actors in the development process. And this change lies at the heart of Guatemala’s decentralization program.

The transfer of responsibilities, power, and funds involved in decentralization programs alters the amount of influence that different actors have over decision-making at the local level. In addition, the goals that guide MDP formulation attempt to change the capacity of different actor groups to manage or influence decision-making (discussed more fully below). *Poder local* provides a conceptual basis for exploring both the expected and unexpected changes that accompany the processes of decentralization and MDP formulation.

Section III The Research

CHAPTER VI RESEARCH METHOD

Guatemala is actively engaged in a process of decentralization. Structural adjustment and decentralization programs require municipal governments to assume ever-greater levels of responsibility in the governance of their jurisdictions. Additionally, the new Law of Urban and Rural Development Councils has given civilian populations new responsibilities and opportunities to influence and direct the path of development within their localities. The formulation of municipal development plans, which draws on these programs and laws, helps to align these new responsibilities and to produce a framework for attaining the goals of MDPs.

Municipal development plans are oftentimes hyped to be a cure-all for the problems that confront municipal administrations and the communities they serve. However, because MDPs are new to the development scene in Guatemala, no research has been conducted to gauge their effectiveness or impacts at the local level. This research project begins to fill this void in information. This section first discusses the broad goal of the research and then presents the specific research questions that guided data collection in the field. It then describes the method used in data collection and analysis. Finally, it presents the limitations to the methodology employed.

Research Questions

The broad goal of this thesis is to understand how the formulation of MDPs influences the expression of *poder* local. In order to understand this influence, I analyzed the processes employed by three organizations for formulating MDPs. Three research questions have been used to frame the influence of the process:

1. What actor groups participate in the formulation of MDPs?
2. How does each actor group participate in the process of formulating MDPs?
3. Which of the three processes demonstrates the best opportunities for attaining the goals that underlie MDP formulation?

Question 1 – Although many individuals and groups are active in the process of development at the municipal level, there are three main actor groups. At the municipal level there are the elected municipal authorities (i.e. the mayor and the municipal council) and the municipal civil servants (i.e. municipal planning office staff and treasurer, among others). The second group is composed of community-based organizations (CBOs) and individual community leaders. The third actor group is composed of central level governmental organizations (e.g. ministerial organizations) and both domestic and foreign non-governmental organizations.

This question aims to clarify which of these actor groups participate in the process of formulating MDPs. This question is addressed in Chapter VII.

Question 2 – The amount of attention directed to the specific actor groups varies widely among the various processes of formulating MDPs. This question aims to highlight the differences in the process followed by each of these organizations that are coordinating the MDP process. Interviews conducted with representatives of each case study organization and documentation intended to serve as a guide for the process of formulating MDPs serves as the foundation for answering this question. This question is addressed in Chapter VII.

Question 3 – There are five goals for the formulation of municipal development plans that are shared between the three case study organizations. Each process has a differential influence on the attainment of these goals. Analysis of informant responses from over thirty interviews provides a means to characterize how these distinct processes employed in the formulation of MDPs enable the attainment of these goals. This analysis can be found in the findings section of Chapter VIII.

These three questions provide the basis for answering the broad research question stated at the outset. The influences of the formulation of MDPs on *poder local* are discussed in the implications section of Chapter VIII.

Research Method

This methodological framework first presents the manner in which the field research was carried out and then discusses the process of analysis followed after the field research portion ended.

Field research was carried out in three different ways:

1. Participant-observation:

From May 2000 to December 2002, I served as a Peace Corps Volunteer in Guatemala serving in the program of Municipal and NGO development. During my service I worked in the Municipal Planning office of two different municipalities. This service provided me with the opportunity to witness firsthand the day-to-day administration of municipal governments as well as to interact with colleagues whose work it was to address the improvement of service delivery. During the period of my service I maintained a journal that noted, among other things, meetings with municipal administrators, news events at the national and local levels, problems and opportunities that influenced operations of the municipal planning office, and information gathered from informal discussions with professionals that worked in the field of municipal development.

This work experience provided a direct involvement and first-hand knowledge of the workings of *poder local* at the municipal level. As part of my daily functions, the municipal planning office served as a link between the different actors involved in the formulation of municipal development plans: the municipal administration, community leaders, and the various NGOs and GOs that worked within the municipality. One of the

many functions that were assigned to the municipal planning office was to formulate a MDP. Indeed, this research grew out of questions and observations concerning the different processes employed for MDP formulation in other parts of Guatemala.

During the time I spent as a Peace Corps Volunteer my tasks were primarily to assist and educate the municipal planning offices in the tasks assigned to them by the Municipal Code and the local government. Although my responsibilities while a Peace Corps volunteer did not produce any direct results that have been used in this investigation, the experience laid a foundation of understanding that would have been difficult to gain solely through research.

2. *Collection and analysis of written materials:*

MDPs have gained prominence in the eyes of bilateral donors. For this reason, many different organizations have started generating them. Written materials have come from two sources: Manuals that detail the procedures each organization uses in the formulation of MDPs, and the MDP documents themselves. Key information can be found within these documents about the importance placed on each actor group involved at the local level and the possibilities of goal attainment available to the actors and individual MDPs.

The information gathered from these documents provides a foundation for the analytical portion of this research. I focused on two primary topics to address the first two research questions stated above:

- First, I focused on descriptions of the process employed by each organization. This information serves as a basis for the discussion of the similarities and differences in approach to MDP formulation and is suggestive of the influence on *poder local*. General descriptions of the process can be found in most individual MDPs. Additional details came either from documents intended as guides for workers at each organization or from interviews conducted with representatives of each organization.
- Second, I focused on the goals underlying the formulation of MDPs. These goals help to provide an understanding of the role that the MDP is intended to serve in the decentralization of the state. Additionally, because the goals of formulating a MDP are, in part, shared with the process of decentralization, they provide a framework for gauging the influence of formulating an MDP on the expression of *poder local*. In order to arrive at the goals I examined these written materials and the interview transcripts for both manifest and latent expressions of expected outcomes.

I am responsible for the translation of information originally written in Spanish that is contained in this thesis.

3. *Interviews:*

Virginia Polytechnic and State University’s Institutional Review Board authorized me to conduct research on human subjects. I provided an informed consent form to the interviewees and received their signature stating that they knew the benefits and risks involved in participating in the research.

The schedule of interview questions was semi-standardized and can be found, translated into English, in Appendix 1. Berg (1998: 61) defines this type of interview as one that “involves the implementation of a number of predetermined questions and/or special topics. These questions are typically asked of each interviewee in a systematic and consistent order, but the interviewers are allowed freedom to digress.” I chose this type of interview so that I would have the flexibility to ask follow-up questions and gain more detailed information.

Interviewees were selected in a modified snowball format. The initial contact person in each of the three case study organizations recommended interview sources in two municipalities where an MDP had already been formulated or was in the process of being formulated. These primary contacts, in turn, suggested people that were knowledgeable on the process of formulating the MDP in that location. I decided to conduct interviews in only one municipality suggested by the contact person in each of the case study organizations. Additionally, I selected a municipality where the organization had worked or was working at the time, but was not suggested as a place to request interviews. I did this in order to ensure that I did not only receive the most positive answers about the specific process or the organization formulating the MDP. The interviews were conducted in six municipalities, where each case study organization is represented by two municipalities.

Interviews were conducted with four different groups of people. Table 7 presents the number of interviews conducted with each actor group. First, I interviewed eight elected municipal leaders. Second, I interviewed seven members of municipal planning offices. Third, I interviewed nine community leaders or leaders of community-based organizations that represent multiple communities. Fourth, I interviewed nine representatives of non-governmental organizations and governmental organizations with a presence in the municipalities where MDP were formulated. Additionally, I conducted two interviews with representatives of national level governmental organizations that directly influence MDP effectiveness or applicability at the municipal level. Finally, I conducted interviews with one representative of each of the three case study organizations.

Table 4: Number of People Interviewed by Actor Group¹³

Actor Group	Number of Interviews
Municipal Authorities	8
Municipal Planning Office Staff	7
Community Leaders and	9

¹³ Because of anonymity and confidentiality issues I am unable to place the locations where any of the interviews took place in the citations. Additionally, I have cited anonymous for those respondents that desired anonymity or confidentiality.

Community-based Organizations	
Non-governmental organizations and governmental organizations	9
National level organizations	2
Sponsoring organizations	3

In total I conducted and transcribed 31 formal interviews for this thesis. With the exception of the sponsoring and national level organizations, whose interviews lasted approximately one hour, interviews typically lasted between 25 and 40 minutes. The number of people interviewed presented in the above table totals 38 rather than 31 for three reasons. First, the number includes instances where two people were interviewed at the same time (four instances). Second, I interviewed three people that were referred to me by others, but these tapes were not transcribed because these individuals did not have any knowledge of the process of MDP formulation. These interviews were useful, however, in that they illustrated the limited knowledge that people had of the process, their purpose in participating, or their responsibilities as either a community leader or an elected official. Although these tapes were not transcribed, the demonstrated lack of knowledge is useful for and included in the analysis that follows. Third, the sponsoring organizations are also included in the NGO and GO category because they are important actors in the development of each of the municipalities where they work.

I am responsible for the translation of information presented in this thesis that is derived from interviews conducted in Spanish.

Timing and Location of Interviews:

The interviews were completed during the last three months of my Peace Corps service: from September 2002 through November 2002. See annex 2 for a complete list of interviews.

The interviews conducted with each of the actor groups were completed in the municipal center where the MDP had been formulated. The interviews with the sponsoring organizations were completed in their regional headquarters.

Two interviews were conducted in Guatemala City with high-level representatives of central government organizations working in each of the locations chosen. These two organizations are the Presidential Commission for the Reform of the State, COPRE (*Comisión Presidencial para la Reforma del Estado*) and the Institute of Municipal Fomentation (*Instituto de Fomento Municipal*). I selected these national level organizations because they have helped to guide the decentralization of the state and are experts in municipal governance within Guatemala, respectively.

Content analysis

The content analysis used in this research focused on qualitative and not quantitative data. That is, I did not focus on the number of times that any individual or

group used a particular word; rather, I was in search of the contextual significance of the usage as it related to the goals for formulating MDPs. Berg (1998, 225) states that these “‘counts’ of textual elements merely provide a means for identifying, organizing, indexing, and retrieving data . . . [which enables the investigator] to learn about how subjects or the authors of textual materials view their social worlds.”

Table 5 presents a list of the key words used in the content analysis. These words were selected because of their centrality to the research questions that guided the semi-standard interviews. The content analysis was completed before any translation was conducted and included variants of the words. For example, when searching for participation, I searched only for ‘partic’ so that the results would include *participar*, *participé*, *participando*, and the like. Each of the words is discussed individually below and is arranged by the goal for formulating MDPs that they address. In the next chapter I discuss more fully each of the goals presented in the table.

Table 5: Content Analysis Key Words

Goal of MDP formulation	Key words	Reason for selection
Guide for investment based on reported needs	Guide, invest, use, needs	These words have been taken directly from the description of the goal.
Provide a framework for the transfer of technical skills and knowledge	Learn, capacity, participate	These three words all describe the process of learning or gaining a stronger capacity to perform work.
Open the municipality	Participation, coordinate, communicate, represent	These words are components of the process of opening the municipality.
Vision and longevity	Vision and years	Vision and the length of time that the informants thought the MDP was good for.
Mature political culture	Democracy, confidence, and political	These words provided a means to understand either how the person thought of current political culture or how it might be changed by MDPs.

It should be noted that participation is a key word in two of the goals. The role of participation is different in each of the cases. When discussing the transfer of knowledge, participation deals with participation in training courses and the like. But, when discussing the openness of the municipality, participation refers to the participants’ ability to hear or be heard. This difference in type of participation has guided the placement of each word in its respective categories.

Whenever one of these words was mentioned I examined the surrounding text to understand and record the context as well as content of what the interviewee was stating.

Limitations of the methodology

There are limitations to this methodology. First, it is impossible to draw conclusions about all municipalities where these organizations are working. Each municipality has its own characteristics and dynamic that needs to be taken into account. For this reason, this research is not intended to generalize about the municipalities. Rather, I intend this research to provide general information about the processes being used by the three organizations in the formulation of municipal development plans.

Second, I have not included all organizations that are involved in the formulation of MDPs. To varying degrees the German government's development program (GTZ) and USAID's Local Governments Program are both involved in the formulation of MDPs. These organizations were not considered because they were either not working on MDPs during the period of research or were in a process of restructuring their offices.

Third, the snowball method of generating interviews can threaten the validity or quality of the information gathered by collecting information only from like-minded informants. Thus, in order to provide some balance, I examined two MDP processes for each case study organization – one that was recommended by informants and another that was selected.¹⁴ In doing so I hoped to gain information from at least one positive and one of the more ordinary or problematic locations working with each organization.

¹⁴ The rationale behind selecting the other municipality was:
Fundación INCIDE – this organization works in two separate geographic areas of Guatemala so I selected the other case study from the other region.
Cooperación Española – I chose a municipality that was in the final stages of the process of formulating their MDP.
MOVIMUNDO – I selected a municipality that had terminated their relationship with MOVIMUNDO (although not for unpleasant reasons).

CHAPTER VII MUNICIPAL DEVELOPMENT PLANS

Municipal Development Plans (MDPs) are an outcome of the parallel processes of democratization, decentralization and increased civic participation taking place in Guatemala. This chapter explores the connections between these processes. First, it provides an introduction to the structure of the municipality in Guatemala. Second, it briefly explains both the history behind MDPs and how MDPs are presently understood. Third, it presents the three case-study organizations that are involved in the formulation of MDPs. Finally, it outlines the goals that underlie the formulation of MDPs.

Background and History of MDPs

Municipalities within Guatemala

The municipality within Guatemala represents the level of government that is closest to the people that it serves. Two recently enacted pieces of legislation are important for understanding how the municipality is conceived in Guatemala. Although these laws have yet to be tested against the reality of political and public life in Guatemala, it is necessary to briefly focus on them because they provide the legal foundations that delimit municipal responsibilities and functions. These two laws are the Municipal Code and the Urban and Rural Development Councils Law¹⁵.

Municipal Code

The Municipal Code covers subjects as far ranging as municipal autonomy and the municipality's ability to assume loans. I limit my discussion to those elements related to MDPs.

The municipality is composed of the following elements¹⁶ (Article 8, Municipal Code 2002):

- The population;
- The territory;
- The authority exercised in representation of the habitants; and
- The organized community.

The population is composed of citizens (those that have the right to vote) and inhabitants (those that live within the jurisdiction of the municipality). The territory is the delimited space where the Municipal Corporation has the right to divide or recognize further divisions of the municipality in order to promote the 'principles of deconcentration and decentralization' (Article 22). The municipal corporation, which is the maximum authority within the municipality, represents all inhabitants that live within the territorial limits of the municipality. The municipal corporation is composed of a

¹⁵ Respectively, these laws are: Decree 12-2002, enacted May 9, 2002 and Decree 11-2002, enacted April 11, 2002.

¹⁶ Each of these elements represents a chapter within the Municipal Code or a number of articles.

democratically elected mayor, who appoints two Sindicalists and, typically, five Counselors who are ranked according to the proportion of the vote that they received during the election process. The organized community is composed of local committees or associations formed around a specific project (i.e. potable water or road).

The highest authority within the municipality is the Municipal Council. Within this council, the mayor acts as the administrator of the ideas and programs that the council as a whole sets forth. Some pertinent tasks assigned to members of the municipal council include (Articles 35, 36):

- The convocation of the different actors within the municipality to formulate and institutionalize municipal development plans;
- Members of the municipal council must preside over inter-institutional meetings formed around the themes important to the municipality (e.g. health, education, and probity).

These tasks are significant in that they require the municipal government to create development plans with the assistance of interested parties in an integrated manner. In addition, this new Municipal Code requires that municipal governments create a Municipal Planning Office (MPO). Among the tasks assigned to the MPO are the following (Article 96):

- Coordinate and consolidate the developmental diagnostics, plans, programs and projects of the municipality; and
- Produce precise and quality information required for the formulation and management of municipal public policies (*políticas*).

In essence, the MPO is responsible for providing a link between the municipal authorities and other actors within the municipality (e.g. the communities, NGOs and other GOs). This places the responsibility of elaborating MDP directly in the hands of the municipal planning office.

Urban and Rural Development Councils Law

The recently enacted Urban and Rural Development Councils Law (URDCL) has added yet another level to the organized community structure. URDCL was created in order to “systematically promote the economic and political decentralization as a means to promote the integrated development of the nation. . . . [These councils are] the principal means of participation of the population.”

The above quote highlights two important functions of this new law. First, it has increased the level of decentralization within the country by systematically requiring that every level of the Councils receive the participation of the populations that exist within its territory. Additionally, the URDCL has provided a means whereby every level of government has the option to make its desires known at successively higher levels.

Second, this law has established a baseline of citizen participation at the municipal level. Articles 12 and 14 establish the functions of the councils at the municipal and community levels, respectively. Among others, some of their most important functions¹⁷ are to:

- Promote, facilitate and help the organization and effective participation of the community and its organizations in prioritizing needs, problems and their solutions, for the integrated development of the community;
- Formulate the platforms (*políticas*), plans, programs and projects of development of the community;
- Evaluate the execution, efficiency, and impact of the community development programs and projects and, when desirable, propose corrective measures to the Municipal Development Council or to the corresponding entities and demand their completion; and
- Inform the community about the execution of the assigned resources of the community development programs and projects.

This law is significant because it provides a legal framework that directs community participation and directs the manner in which the municipality should engage the population in the formulation of the proposals and programs to meet their felt needs.

Finally, Article 30, of the URDCL sets forth that all public entities are obliged to cooperate with the Development Councils system in the completion of their functions. With this Article, the national government has set forth in law the need for cooperative deconcentration.

These elements recognize dual authority within the municipality. On one hand, there exist elected authorities such as the municipal council and more traditional forms of community representation such as auxiliary or indigenous mayors. These representatives, whether democratically elected or not (as is the case with traditional authorities), are responsible for concretely defining community or municipality development policies.

On the other hand, the new Municipal Code recognizes the organized community as an element within the municipality with the right and obligation to define its needs as well as act in a coordinated manner with the municipality to resolve these needs. *It is through the formulation of development plans that the organized community can most clearly elucidate its project or program priorities to the municipal administration as well as other developmental organizations involved at the municipal or community levels.*

Historical Context of MDP

Project and program planning is a relatively recent addition to municipal government procedures in Guatemala. Over centralization of decision-making and

¹⁷ These articles establish norms for interactions between the different levels of the councils. I have chosen to quote from the community level (Article 14). However, the same content exists in the functions at the municipal level.

resource disbursement at the national level was highlighted in previous chapters. This same problem applies at the municipal level. Project and program planning have typically proceeded with the help of ‘experts’ without consulting the population as a whole. The end result of this kind of planning was that the final document or plan was not useful because municipal governments had to respond to everyday needs without concern for the medium- or long-term goals. Where planning documents did exist, their impact was minimal. Furthermore, only those municipalities that created them or had commissioned their creation knew of their existence.

Before MDPs came into vogue (approximately 2000), planners used monographs or compendiums of information about the different communities within the municipal boundaries. Typically, these would contain the following components¹⁸:

- A history of the municipality;
- List of all the communities present in the municipality;
- List of services present in each of the communities; and
- Demographic information about each community.

The intended use of these monographs was to provide basic information about the municipality to interested parties whether they were external to or internal to the municipality. Because they were static ‘snapshots’ of the situation of the municipality, many found the data to be of limited utility. These documents were the precursors of today’s MDPs.

The paucity of planning at the municipal level was the result of many factors. First, during Guatemala’s 35-year long internal conflict, decisions were oftentimes made on the basis of short-term survival and not longer-term benefits. Second, during the internal conflict the population was afraid to actively participate or, in more extreme cases, ask questions. Third, as a result of decentralization measures, municipal governments have only recently begun receiving transfers from the central government. Finally, in the rural areas of Guatemala, municipal administrations were elected for a period of only two years (Vanden and Prevost 2002). Planning itself takes time and when the period of election is so short, it is difficult to formulate the problem, create the plan, and then take action on that plan.

Following the end of the civil war, and after more immediate needs were met, the international community began dedicating funding and human resources to more idealistic ends. Following the internal conflict the international community almost exclusively addressed such things as returning internally and externally displaced migrants, disarmament, food security, and productive programs (Interview, di Totta 2002). When stabilization was reached in these aspects, the international community focused on goals such as strengthening democracy, increasing citizen participation, and planning.

¹⁸ From 1994 – 1996 FONAPAZ and FUNCEDE published a series of monographs for the majority of municipalities in the Guatemala’s western highlands.

Present day understanding of MDP

In contrast to the monographs that served little more than descriptions of a municipality, today's MDPs¹⁹ are the result of participatory planning as well as the complicated processes used in their formulation. In Spanish, the verb *elaborar* is used to signal a process of creation, transformation, and/or formulation of something that did not exist beforehand. In this sense, it is important to recognize that MDPs are the result of a process whereby different actors at the municipal level establish priorities (at both the community and municipal levels) and the mechanisms whereby those priorities can be addressed.

Three distinct changes have taken place in the conception of development plans at the municipal level in recent years. First, the formulation of MDPs is now participatory. In contrast to the monographs of past years, MDPs are formulated with the participation of various actors at the municipal level. These actors include the municipality, local level civil society organizations, national and foreign governmental organizations, and both national and foreign non-governmental organizations. This participation, although varying in type among the different processes used in the formulation of MDPs, sets modern MDPs apart from their predecessors.

Second, modern MDPs present problems that exist at the municipal level and options or opportunities to address these problems. The monographs that came before this current wave of MDPs presented lists of existing services at the community level. Modern MDPs, on the other hand, list the deficiency of services, infrastructure, or other problems at the community level and, generally, present a list of specific actors that are responsible for addressing this problem. This fundamental difference is important especially when considering that MDPs provide a framework to address these problems.

Third, modern MDPs tend to recognize, even if only implicitly, that there are four actor groups involved in the development process and that each group plays an important and distinct role. Because of their importance in the development process at the local level, each actor group warrants specific attention. These actors are:

- The municipal government that is popularly elected and assigned responsibilities by the Municipal Code.
- The municipal planning office that is the local entity responsible for coordinating and executing the formulation and follow-up to the MDP as well as most development projects initiated by the municipality.
- The population of the municipality, which may contain organized subgroups or community-based organizations. Although most municipalities are small, it

¹⁹ Municipal Development Plan is a generic term that is used by some organizations and municipalities. In addition, other terms that describe the same types of processes and/or final document are common. Some of these terms are: Municipal Development Agenda (GTZ/INFOM), Integral Development Plan (Cooperación Española), Urban and Rural Development Plan (MOVIMUNDO).

should not be assumed that the interests within the municipality are similar or static.

- Regional, national and international non-governmental organizations (NGO) and governmental organizations (GO) concerned with the social, economic and infrastructure development within the municipality. These organizations typically have control over significant quantities of funds that are distributed within and competed for between different municipalities.

The specific role that each group plays however depends on the relationship and history governing interactions between these actors. Specific histories limit the ability to generalize the types of relationships members of each actor group have with each other. The context of the municipality, individual personalities and existing laws contribute to determine the way that individuals of each group interact.

An examination of the general processes used in the formulation of MDPs highlights the change from the monograph to the fully functional planning document. The generalized steps used in their formulation, in chronological order, are:

1. Establish interest. The first step is always to consult with the municipal administration to find out if they are interested in the process.
2. Explain the process. The organization presents the steps to be followed in the formulation of the MDP to the public administration and the municipal planning office staff.
3. Collect initial information. Demographic information and other data are collected on every community within the municipality. The various communities are informed of the purpose and asked to participate in the diagnostic of their communities.
4. Conduct participatory community diagnostics. Meetings are held with individual communities to establish and collect information about existing needs within the community and to collect other pertinent information.
5. Process and analyze data. After collecting large quantities of information, this information is placed into a database and analyzed for presentation to other actors in the process.
6. Hold meetings with NGO and GO representatives. After the community level data have been processed, the sectoral (e.g. health, education, infrastructure, and economy) information is analyzed to create municipal wide sectoral plans.
7. Write and edit the MDP. After information has been collected, analyzed and discussed, the MDP is edited to create a coherent document that treats the whole municipality and all the development sectors.
8. Present the MDP. The culmination of the above steps is the formal presentation of the document to the media, NGOs and GOs with a presence in the community, and community leaders themselves.
9. Monitor and evaluate progress in meeting program and project goals.

The above-mentioned steps are common to the three case studies introduced below. However, each organization has its own process that differentiates its approach from the others.

The content of the final MDP shares a number of commonalities as well. In general, each of the organizations utilizes a structure that presents the information in a way that will be accessible to the majority of the literate population. A brief look at the table of contents within the development plans draws attention to the following similarities:

- *Introduction* – to the document and its purpose.
- *Description* – of the process and legal framework supporting the principles that underlay the MDP and its goals.
- *History* – of the municipality is generally presented in order to provide some context of the path to development that has been followed up to the present.
- *Statement* – of the current situation in which the municipality finds itself (usually divided into the different sectors that will be addressed in the plan section).
- *Plans* – that attend to the specific sectors and address the needs of each of the communities in a structured way.

With this discussion of the history behind MDP formulation and the current understanding and content of modern MDPs, it is now possible to explore the three case study organizations that are active in the formulation of MDPs in Guatemala.

Presentation of the Case Studies

The three organizations involved in the formulation of MDPs are introduced below. For each of the case-study organizations I present background information and a brief treatment of the organization's approach to formulating MDPs.

Case 1 – Cooperación Española

*Cooperación Española*²⁰ is the Spanish government's agency that administers international assistance and cooperation. It has a presence in Asia, Africa and Latin America. Bilateral agreements between the host country and the Spanish government determine the different projects to be developed. Decision-making within the agency is decentralized and each regional center is obliged to meet the needs of the population it serves.

The regional center of *Cooperación Española* in the department of *Sololá* administers programs in scholarships, infrastructure, training at the ministerial level, and municipal strengthening. These programs were negotiated with the local municipal

²⁰ This information has been collected from an interview with Helena Latorre (2002) and various documents created for internal consumption by Cooperación Española.

administrations to ensure that *Cooperación Española* would meet the needs of the municipality. Within this program the main components are:

- Training of municipal planning office staff in their daily functions, participatory planning, office organization, and data collection methods;
- Training and assessment of local government administrations; and
- Working with and training individual communities and their leaders in aspects of community organization, citizen participation, rights and responsibilities.

The work within each of these areas responds to a known or perceived deficiency within the municipality. Although valuable in their own right, these three components all point to a common goal: the formulation of a Municipal Development Plan.

For *Cooperación Española* the objective of formulating an MDP is to plan the development of the municipalities it covers with the participation of four groups of ‘protagonists’: the population, governmental organizations, non-governmental organizations, and the municipal administration. Two principal components in their conception of an MDP are the creation of technical capacity and active participation of all interested parties in the process of formulating the MDP.

Case 2-Fundación INCIDE²¹

INCIDE is an organization that focuses on strengthening municipal administrations’ capacity to better manage the territory and responsibilities they have been elected to administer. It works in 15 municipalities in Guatemala, primarily with local elected officials that share its leftist (socialist) political ideals. In its work with municipalities, INCIDE does not hide the fact that they have ‘political direction’ and works only with those administrations that share this same direction. INCIDE has a strong belief in the ability of local government to faithfully represent its constituents and build a stronger, less antagonistic society.

INCIDE receives its funding from various autonomous regions of Spain and some Nordic countries. It is a non-governmental organization with its roots strongly planted in Guatemala. Its entire staff is Guatemalan, while some staff members have studied outside of the country. Its work with municipalities began with the elections of 1999 when representatives first met with various newly elected administrations drawn from the former guerrilla movement. Since that time it has been working with these municipal administrations to increase their effectiveness in administration.

In its work with municipal administrations, INCIDE has been proactive in getting municipal administrators to build community groups and their connections to the municipal government. This has led to the creation of micro-regions within many of the municipalities where INCIDE works. Relationships with local associations of

²¹ The information from this section is drawn from an interview with Olga Pérez (2002) and internal documents. *Incidir*, the verb from which INCIDE is taken, means to influence.

communities traditionally have been strained and the formulation of an MDP is intended to repair this deficiency.

According to INCIDE, MDPs are what can help the municipal government gain a more coherent idea of the needs of its communities as well as their under utilized potentials. The MDP is “an instrument that is going to permit and visualize what we strategically want to do but also implies what are potentials [and] obstacles that are going to help us or impede the achievement of this development”(Interview, Pérez, 2002). It is a plan to determine where governments at all levels and NGOs should invest their resources. Furthermore, MDPs need to be revalidated to keep pace with the changing reality within the municipality (INCIDE 2002).

Case 3-MOVIMUNDO²²

MOVIMUNDO is a governmental organization whose purpose is to establish solidarity between the government of Italy with governments of developing countries through the provision of technical and financial assistance. It has a presence in more than 20 countries in Africa, Asia and Latin America. The organization specializes in countries that have suffered internal wars. MOVIMUNDO has had a presence in Guatemala since 1995 with a regional center in the municipality of Uspantán, El Quiché. They have a presence in those regions most strongly affected by Guatemala’s internal armed conflict.

Since its inception, the programs that MOVIMUNDO has administered in Guatemala have changed. It began with programs aimed at relieving the immediate and intense suffering caused by the internal armed conflict. However, its programs have switched to encompass local capacity building in municipalities for the future when its local teams withdraw from these regional centers. These municipal programs are intended to leave a capacity to govern and transform the municipality into something more ‘just.’ In addition to their work directly with municipal governments, MOVIMUNDO also has programs in popular education, participatory development, and the transfer of knowledge to local development technicians (i.e. community leaders or teachers).

In the formulation of MDPs, MOVIMUNDO is attempting to transfer skills and capacity to various actors at the municipal level. Unlike the other two organizations, MOVIMUNDO does not focus on either the municipality or the population at the ‘expense’ of the other. Rather, they see municipal government’s and the population’s participation in the formulation of an MDP in two complementary ways. First, MDPs serve as a tool to guide the municipal administration in their decision-making with the foundation gained from the information provided therein. And, second, it provides the communities with a means to accept and utilize their legal rights and obligations in strengthening their relations with the municipality through participatory planning.

Thus far, I have presented similarities among the different, selected organizations involved in the formulation of Municipal Development Plans in Guatemala. These

²² The information from this section is drawn from an interview with Massimiliano di Totta and Julio González (2002, Uspantán).

similarities represent the common ground that permits the individual plans to be labeled as MDPs.

Differences in Process of MDP Formulation

Although the similarities among the processes used by the three case study organizations permit the labeling of the final documents as MDPs, there are important differences. These differences, which are described below influence the MDP's ability to achieve its short- and long-term goals. Key similarities and differences are presented in Table 6.

These differences lead to the following observations concerning each organization's affiliation with *poder local*. None of the organizations excludes either the municipal authorities or the population in their approach to MDP formulation; however, there is considerable difference in the processes employed by each organization.

INCIDE focuses the bulk of its attention on municipal administrators and municipal planning office staff. This emphasis reflects its political philosophy. Further evidence of this focus is demonstrated by the limited relations that INCIDE staff have with community-based organizations, the lack of actual finished products, and the lack of attention to given to the population regarding follow-up training in their role in municipal development. These traits lead to the conclusion that INCIDE considers the municipal corporation to be the rightful seat of power at the local level. In other words, INCIDE's MDP process concentrates *poder local* in municipal government, rather than among communities.

Cooperación Española, on the other hand, has chosen to focus the bulk of attention during the formulation of MDP on the local population. The manner in which community-based organizations are invited to participate, the training given to community development councils, the intense training given to community leaders and the Community Development Plans produced for each community are evidence that *Cooperación Española* demonstrates a particular affinity for building capacity and knowledge at the community level. These traits lead me to conclude that *Cooperación Española's* MDP process enhances *poder local* at the community level.

In contrast to the above two organizations, MOVIMUNDO does not tend to focus attention on either the population or the municipal government. Municipal administrators are given the attention they require to maintain support for the process and the municipal population is provided with the basic tools needed to engage other actors in the development of their locales.

The distinctions drawn above are important because they provide a means to analyze the relationship between the procedure and goal attainment for formulating MDPs.

Table 6: Attributes of Each Case's Approach to MDP Formulation.

Attribute	<i>Fundación INCIDE</i>	<i>MOVIMUNDO</i>	<i>Cooperación Española - Sololá</i>
Participation of NGOs and GOs	Participation is solicited, but role is not well defined (because of distrust).	Is conceived in terms of its ability to design proposals for the resolution of community problems.	Active in the establishment of priorities at the municipal level
Participation of communities and CBOs	Limited trainings of community groups. Umbrella (professional) groups that represent more than one community have responsibilities in those communities where they have coverage.	Special attention is given to the participation of the population in an attempt to increase the stability of democracy at the local (and national) level.	Very intense, to formulate the MDP, had a series of three meetings with each community (collection, analysis, validation) Community leaders have also participated in trainings about their roles in the development of their communities
Participation of municipal authorities	Very direct involvement in the whole process. Training of and dialogue with local authorities is a central feature of this process	Primarily as leaders of the Urban & Rural Development Councils and the commissions established by the Municipal Code.	Active participation during meetings with NGO and GO of the different sectors as well as with sectoral meetings.
Participation of municipal civil servants	Training is mentioned as being important, but only as a means to a political end as representatives of the mayor and municipal corporation.	Training is important, however, recognizes limitations and need to work for extended periods to improve skill set and knowledge base.	Training is very high on the agenda.
Decentralization within the municipality	Micro-regions but they exist primarily in name only. Serve as basis for the Community development councils	Micro-regions exist with limited utility; these organizations are being integrated into the community development councils with limited training	Training of the community development councils
Time to produce an MDP	Has been working for over three years in numerous	2 years	2 years in first Municipality, less time in subsequent municipalities

	municipalities and has yet to finish one MDP			
Themes covered (that are not common to all three)	Urban Area	Human rights, Municipal management	Gender	
Follow-up	No mention in written documents; the director does talk about 'reestablishment' or realignment when necessary	No mention of follow-up procedures in written documents; however, the population is the responsible party to ensure that new mayors respond to the MDP (One of their technicians is leading an up-date of the MDP)	Reliance on the new Laws, local political will and community empowerment.	
Plans to update the MDP after publishing it?	Yes	No	No	
Final Product(s)	Municipal Development Plan	Municipal Development Plan	Integral Development Plan Strategic Municipal Plan Community Development Plans	
Emphasis in <i>Poder Local</i>	Government First	Local Unity	Power to the People	

Goals of a Municipal Development Plan

The goals of MDP formulation were deduced from written documents and interviews conducted with representatives of each of the case study organizations. There are five general themes, common to each of the case studies, which embody the goals for the formulation of MDP. First, MDPs are intended to develop the municipality by providing a guide for investment based on the expressed needs of the population. Second, MDPs are to provide a framework for the transfer of skills and knowledge to actors at the local level. Third, MDPs are to ‘open’ the municipality by increasing participation opportunities, communication and coordination among all local actors. Fourth, MDPs should provide a ‘vision’ of the municipality in the future and serve the population for 10 years. Fifth, the processes of formulating and following up on an MDP should provide a means whereby the local political culture ‘matures’. These goals are presented in Table 7 for each of the three case studies.

Table 7: Goals of the Formulation of an MDP Deduced from the Three Organizations

Goal	Description	INCIDE	MOVI.	CE
Guide for investment based on reported needs	The MDP should serve as a guide for investment of resources for the municipality, GOs, NGOs, and communities to optimize resource utility.	X	X	X
Provide a framework for the transfer of technical skills and knowledge	The formulation of an MDP should provide the transfer of technical skills and knowledge to the following groups to improve their capacity to expected roles:			
	Elected officials of the municipality	X	X	X
	Staff of the municipal planning office	X	X	X
	Members of the community		X	X
Open the municipality	MDPs should provide increased opportunities for public and private participation in decision-making, increase transparency, and improve coordination and communication among all actors	X	X	X
Vision and longevity	The MDP should include a visioning process that sets goals for the municipality over the course of 10 years.	X	X	X
Mature political culture	The MDP should provide a foundation for the ‘maturation’ of Guatemala’s unstable political culture and increase the faith of the population in their governments at all levels.		X	X

The above table provides the foundation for the discussion of MDP goal attainment that follows in Chapter VIII.

CHAPTER VIII FINDINGS & IMPLICATIONS

This chapter presents the findings of the research and their implications. As noted above, this research focuses on three questions. The first two were discussed in the previous chapter and are revisited in Table 8 (p. 67). The third question — Which of the three processes demonstrates the best opportunities for attaining the goals that underlie MDP formulation? — is addressed in this chapter. The chapter ends with a discussion of how the formulation of MDPs influences the expression of *poder local*.

Findings

These findings are presented so that each of the three case-study organizations is discussed separately below. Within this structure, each goal is discussed in relation to the particular case study examined. These findings are also summarized in Table 8 (p. 104).

Fundación INCIDE

Goal 1: An MDP should Serve as a Guide for Investment at the Municipal Level

There are considerable differences among respondents concerning the role that an MDP should play in guiding investments at the municipal level. The contrast between what elected officials and others claim to be the point of an MDP is significant. On one hand, a vice mayor (Choc Rax, Interview, 2002) claims that the MDP is going to ‘point out many things’ as well as ‘guide the work of the municipality.’ Another municipal authority claims that the MDP is going to let the administration know what is needed in each community. This basic understanding of the purpose is highlighted by the knowledge offered by some of the organizations assisting in the formulation process.

One representative from a community-based organization that did not participate fully in the formulation of the MDP states that:

[The MDP] is going to strengthen the work of the municipality . . . because it will have knowledge of the needs of the communities. . . . The obligation of the municipality is to be able to have already written the needs of the communities to provide solutions at that level, but also we have to take into account community participation that the communities know what their needs are and can insert their interests into other levels . . . as a means of promoting [their] interests (Interview, Barrientos, 2002)

None of the individual community leaders expressed a purpose behind the formulation of the MDP.

At the same time, the organizations working in the municipalities demonstrated a fairly concise understanding of the MDP’s purpose. “The MDP, as a document, should be

respected by all of the institutions and be a guide for all of the institutions that have a presence in the municipality” (Interview, Canáhi Robinson, 2002). They also recognized that the document can provide a way to measure advances in reaching the goals of the communities as well as a guide for the ‘collective good.’ (Interview, Velásquez, 2002)

Some of the governmental organizations practice cooperative deconcentration. The Administrative Technical Coordinator for education that works with three of INCIDE’s municipalities has found that the MDP helps him to know where to solicit investments from the departmental level. He notes that this has been helpful especially because the municipal administration has been willing to provide some of the financing for teachers (Interview, de Jesús Hernández, 2002).

The differences in perception noted above suggest that the process of MDP formulation utilized by INCIDE has not formed a consensus among local development actors that the MDP serve as a guide for all investment made at the municipal level.

Goal 2: The Formulation of an MDP should Transfer Technical Skills and Knowledge to Participants

We have to ensure that capacity is [increased] within the communities; for us, as a community organization we are asking for this . . . because we try to leave capacity installed in the communities because they are the ones that stay. . . . We are working with individual leaders so that they can contribute to the development of [their] communities and they can empower and make these processes their own (Interview, Barrientos, 2002).

The balance INCIDE has created between training for municipal officials and community-based organizations is questioned in the above quote. Barrientos clearly notes this by saying that municipalities can make civic participation conditional and, although the laws recognize the right and obligation to participate, these laws are oftentimes not followed. Additionally, he claims that with the political changes that result every four years with an election cycle can result in a loss of the training that municipal authorities are given, while it is the population that ‘stays.’

In many senses the training that municipal authorities have received is basic. When many, if not most, mayors and elected officials enter office with little understanding of public administration, it is difficult to teach many of the finer aspects of governance. In one case a city council member learned about the different organizations involved in local development; while in another, he learned about what his responsibilities are and how to go about achieving them. It is important to highlight that the difference in individual capacity and prior experience limits the ability to teach and transfer skills to elected officials (and others).

In contrast, individual community leaders face a completely different set of problems. Although the basic training provided to community leaders in human rights, gender training, and the like is well thought of by citizens (Interviews, Chuc Tec and Fernández, 2002), the oftentimes dire financial situations faced by many rural dwellers limits their ability to participate because of the costs associated with travel. However, the provision of funds for specific training to community leaders is a contentious topic in some development circles. A representative of the Catholic Church recognizes that by providing funds for travel, training programs are undercutting the purpose of organizing. “Instead of strengthening the capacity to organize it is going to weaken this ability by conditioning [participation] on funding”(Interview, Gempp, 2002). This suggests that the training provided to community groups does not help them to better represent themselves. The quote below seconds this sentiment.

There would be a lot of participation where the NGOs can open a lot of dialogue with the communities . . . to see how they could involve themselves in the development of their communities, first we have to ask how are we going to push the development of [a municipality . . .] we first have to organize [the population] (Interview, Anonymous, 2002).

Within the two municipalities where I conducted interviews, it is apparent that the community leaders and CBOs are not satisfied with the opportunities open to them to receive training or participate in the process. One other critique is that the training should focus more on the population because individual community leaders will then share the information with other community leaders, what Velásquez calls “an agent of training multiplication”(Interview, 2002).

Goal 3: An MDP should Open the Municipality by Increasing Opportunities to Participate and Exchange Information among Local Development Actors

There are two different perspectives of the process involved in the opening of INCIDE’s municipalities. The first demonstrates a willingness to allow the organic process of learning and implementing to dictate the rhythm of opening up the municipality:

The process has not proceeded as it should have, but, for being a new process, for being an activity in which we do not have a lot of experience, there are many things that we need to learn to improve together and I think that my participation is going to improve the process so that we can consolidate the bases and develop it in a better form (Interview, Canáhi Robinson, 2002).

On the other hand, there are portions of the population that see value in the process but are not convinced of the sincerity of those that control power.

It would have been a good show of [political] will to have done much more before to integrate and directly pressure so that [the MDP] was placed in the budget for this year [. . . As it stands] we have the next election process and [the MDP] is going to be politicized and they can conditionalize the MDP which would be lamentable, we hope as civil society to pressure, to insert ourselves so that the next candidates for mayor make concessions [in base of the MDP] (Interview, Barrientos, 2002).

Although not contradictory, these opinions demonstrate the tension that exists between groups that want to have more participation in municipal level decision-making immediately and those that are willing to let the wait for the opportunities to be given or the process to develop at its own pace.

By way of illustration, municipal planning office staff recognize that the opening of the municipality is characterized by allowing the population to state their opinions and needs during information collection and the opportunity that municipal authorities provide these citizens to be listened to (Interviews, both Anonymous, 2002).

It is also telling that these limited opportunities are not open to all. Among others, participation is not given to some community groups (Interview, Velásquez, 2002), political parties, the Catholic Church (Interview, Canáhi Robinson, 2002) or youth and women (Interview, Anonymous, 2002). Canáhi Robinson notes that only through the full inclusion of everyone can you establish the “means to insure that the MDP that is formulated can have . . . follow-up no matter what type of government we have within the next four years.”

Despite these limited opportunities, many organizations continue to coordinate their work with the municipality. “As an organization it is our obligation to coordinate and participate with the municipality in this type of activity because it is our responsibility to give follow-up to the development of the communities”(Interview, Barrientos, 2002). Gempp (Interview, 2002) suggests that part of the problem with increased coordination and communication between local development communities is the ‘weighty management of money and bureaucracy’ that many NGOs have. This bureaucracy limits the flexibility that these organizations have to respond to the expressed interests of the municipalities and limits the desire of the municipalities to further engage the NGO/GO community.

Notably there is no mention of the opening of the municipality by local authorities.

Goal 4: An MDP should Provide a Vision for the Future of the Municipality and Function for a Long Period of Time

More than three quarters of the respondents recognized that the MDP is intended to serve for a period of ten years. The primary threat to the longevity of the PDM noted by respondents across the range of actor groups is that it will be disregarded by a new municipal administration after the elections late in 2003.

None of the respondents mentioned that the document provides a vision of what the municipality can become and the means to get there.

Goal 5: MDP Formulation should Lead to a Maturation of Political Culture

Local political culture matures when confidence levels increase among local development actors and violence decreases because municipal authorities provide opportunities to participate.

Thank God, we have had no more than one protest during this [three years of our administration] and this makes us very happy because the law clearly states that the [people] have the right to protest, that they have to inform of the needs of the towns, and we are all very pleased because if they come to pressure or to demand, we will not be sleeping [on the job] (Interview, Choc Rax, 2002)

At the municipal level where protests often turn violent, it is a cause for celebration when there are so few protests. This elected official's recognition that the population has the right to protest and inform their officials of their needs is positive. Although this respondent did not make an explicit connection between the limited opening of the municipality to increased participation of the population, it is clear that he perceives a connection to exist.

When political figures see how increased citizen participation leads to a decrease in the amount of protest, perhaps they will willingly increase the venues of participation offered to citizens. This appears to be the expectation of INCIDE.

Velásquez (Interview, 2002) understands that the process of democratization is slow and has to respond to the specific history of Guatemala.

In these times the people still do not have a culture of participation, of organization, and they think that they are still under a military regime that had them on their knees . . . but they are beginning to recognize that they have the capacity to oversee, manage, and execute their own projects.

That is, the population is learning of its role in the development of their own communities.

By increasing the ability of the community to proactively engage their leaders and other organizations in their search for locally driven development, these leaders are learning how democratic systems operate.

Despite the reserved optimism stated above, the political maturation within the municipalities where INCIDE works is questionable. While local politicians do not seem to have drawn the connection between their constituency's levels of confidence and participation, it is apparent that the municipal authorities have created higher levels of confidence in their populations. It is unclear how INCIDE's focus on buttressing like-minded politicians influences the maturation of political culture at the municipal level. More light will be shed on this question after the November 2003 election cycle.

MOVIMUNDO

Goal 1: An MDP should Serve as a Guide for Investment at the Municipal Level

Most municipal authorities and staff claim that they are using the MDP as a tool or guide for the development of the communities. Pérez Mateo (Interview, 2002) states that "we are using it as a tool to guide, to complete more projects in benefit of the communities [because] there is a lot of needs in health, education, in everything . . . [but] our funds do not meet the needs." Additionally, León (Interview, 2002) states that the PDM "enables the municipality to be able to complete projects that are really needed here and that have been prioritized by neighbors and, of course, are well done and well executed and that really serve for the development of our municipality."

In contrast to the above, one mayor (Interview, Rivera Alfaro, 2002) claims that the MDP is intended to serve individual communities in the search for and management of their own projects. That is, it is a guide at the community level but does not serve as such for the municipal level.

The coordinator of one of the MPOs states that it is "the macro-level guide to search for integrated development, that is able to measure where to focus investments in health, in education, in infrastructure; and the plan serves as a parameter to measure the advances for the municipality (Interview, Us Maldonado, 2002).

Other actor groups recognized that the MDP was to serve as a guide for investments.

Goal 2: The Formulation of an MDP should Transfer Technical Skills and Knowledge to Participants

In the process employed by MOVIMUNDO, municipal authorities have participated in the municipality-wide meetings needed to prepare the MDP. However, their participation revolves around the establishment and functioning of the various

commissions. Municipal authorities have received basic information or training in what their responsibilities and obligations are and how to organize these meetings. As leaders of the municipality they are in charge of dictating the responsibilities of the specific municipal offices within the municipality. It is therefore important that the municipal authorities have competent staff capable of completing their assigned tasks.

MOVIMUNDO has consequentially focused more training and attention on the MPO staff. They have received training in the spirit and application of the three laws that promote decentralization, rights and obligations of the citizens, project planning, data management, strategic planning, and the formulation of annual operating plans (Interview, Anonymous, 2002).

Us Maldonado (Interview, 2002) supports the claim that these trainings have led to a better understanding on behalf of the municipal authorities because of the knowledge of the human capacity needed to run a municipality smoothly.

Although none of the community leaders interviewed in the municipalities covered by MOVIMUNDO were able to enunciate their participation in the process of formulating the MDPs, they have directly participated in the formulation of these development plans by providing information about their communities and the needs that exist within them. From the interviews conducted, it appears that significant attention was paid to the training of community groups. However, MOVIMUNDO and its partner municipalities were just beginning training in community organization in preparation for the formation of the Urban and Rural Development Councils.

Goal 3: An MDP should Open the Municipality by Increasing Opportunities to Participate and Exchange Information among Local Development Actors

The degree to which the formulation of MDPs has had on the opening of the municipalities where MOVIMUNDO works is unclear. Although the mayors claim that they have increased the coordination of actions and been involved in meetings with other municipal development actors, political divisions hamper the ability of stable, long-term coordination. On initial questioning both mayors claimed that they have received participation from all groups. However, when questioned further, it is apparent that there are some groups that have not participated in the formulation of their MDPs.

I have seen that to date the people have gained confidence, that the people are informed, we have created bulletins and reviews to [provide] information to the committees . . . of the communities, we have held general assemblies, and the population knows of the projects that we have completed. . . . It is a satisfaction for us to have the people participating and to give them information (Interview, Pérez Mateo, 2002).

Although they have provided opportunities for all to participate, all municipal level functionaries and NGOs recognized that there are groups that *choose (elegir)* not to

participate. One MPO staff member states that 20% of the population has not participated (Interview, Anonymous, 2002). The reason given by both NGOs and municipal functionaries is that they are of a different political party. This has also hampered the development of closer relationships with central government officials.

We have coordinated [our work] a little with [the institutions of the central government . . .] but they do not respect the figure of the mayor and have given these funds to community organizations of the same party . . . and we have not been able to do the works that are really needed here, those prioritized by residents (Interview, de León, 2002).

Political divisions at the municipal level hamper the further opening of the municipality and limit the ability or desire to provide or accept opportunities to participate by all groups within the municipality.

Some interviewees also highlighted that municipal authorities have limited the participation of citizens to expressing their interests. “Citizen participation is very important, because the civilian population should propose the actions to follow and they are removed [from the decision-making process]”(Interview, Us Maldonado, 2002). Although citizens continue to be removed from the decision-making, the needs outlined in the MDP currently serve to guide some of the investments made in both municipalities where MOVIMUNDO works (Interview, Anonymous, 2002).

Goal 4: An MDP should Provide a Vision for the Future of the Municipality and Function for a Long Period of Time

Three of the four municipal-based respondents recognize that the MDP is intended to serve as a guide over the long-term (10 years). “We have unified [all groups] to continue completing the municipal development plan that we have, at least we have tried and we have given it a formal and serious initiation, and hopefully it will have continuity in the coming years”(Interview, de León, 2002). Although both mayors claimed that when the next election cycle comes the MDP will continue to serve the next elected officials. However, they were unable to state how or why it would be useful for their successors.

Three respondents suggest that the longevity of the document is to be found in yearly evaluations and periodic updates of the document to reflect a changing reality. Although MOVIMUNDO has worked with its municipalities to establish mechanisms for the evaluation of progress, in one of its municipalities the Municipal Planning Office staff initiated an update of the document and this speaks well of the training that these municipal functionaries have received. It also speaks well of the institutionalization of the participation of the population in publicly establishing their needs and searching for resolution of the same.

The longevity of the document is called into question when considering that a significant portion of the projects currently come from outside sources. One resident (Interview, Anonymous, 2002) noted, “Sometimes NGOs and GOs do not like to be told about what the people want. They are accustomed to work in what they want. [However,] there are some organizations, for example those that help women, that welcome this input and solicit information from the municipality.” If an MDP is to provide a vision of how municipal residents would like to see their municipality, this respondent suggests that all local development actors need to tailor their assistance to this vision.

Goal 5: MDP Formulation should Lead to a Maturation of Political Culture

Apart from registering basic satisfaction or dissatisfaction with municipal administrations, most interviewees did not recognize that the process of formulating and providing follow-up to an MDP would have any influence on the political culture within Guatemala. However, Us Maldonado (Interview, 2002) noted that with the MDP:

[We] can create a new social structure and create a different social fabric . . . where the population believes and has faith in [their municipalities] and where they can have faith that we are making true changes to our work and . . . changing the cultural and social norms that tend to confuse the population or make them poorer or disorganized.

Although only the above respondent recognized that the MDP formulation had some role in producing changes in political culture, it highlights that there *are* individuals with a developed capacity to analyze their situation and create solutions to the problems that confront them.

Cooperación Española

Goal 1: An MDP should Serve as a Guide for Investment at the Municipal Level

International cooperation [organizations] create many plans, many documents, and a lot of consultation and little implementation in real investments [in development] (Interview, Skinner Alvarado, 2002).

The above statement, although not without merit, demonstrates the shortsightedness and unfamiliarity that some participants have of the process and expected outcomes for the formulation of MDPs. Luckily for *Cooperación Española* it is not characteristic of all participants.

The MDP will serve the municipality to quantify and see the needs of the [communities] that our municipality covers. It allows us to prioritize all of the needs that the people have in their [communities] and in this case, we prioritize the projects that are most needed. . . . The municipality is] very

satisfied because we cannot guess what the community has need of and what are the prioritized needs, but we can through the municipal development plan”(Interview, Pocop Ramos, 2002).

The above statement is relatively sophisticated. It recognizes that the first step is for the communities to prioritize their needs and then, when the politicians have this information, they can then develop what their strategy or platform will be to help resolve those needs through a second-stage of prioritization.

However, that is not to say that this is the way that all municipal authorities reflect on the process. “All [municipal authorities] are not involved, there are those that don’t have any idea what an MDP is, nor how to make one, nor how to use one, . . . I have seen that it is those people that move [i.e. are powerful] in the council . . . are those that understand this process”(Interview, Anonymous, 2002). This understanding is reflected in the participation of the authorities and others in the process of formulating an MDP as well as other planning strategies.

One director of an NGO recognizes the usefulness of the MDP as an extension of the work her organization already does.

As a document it will not be useful, it will acquire its usefulness once it is used as a guide to create budgets and make decisions . . . when it involves questions of health we have similar assemblies year by year to see what the needs are. . . and we try to invite the mayor and listen to what the community itself wants. (Interview, Sanchez, 2002)

Representatives from two different organizations highlighted that their municipalities had already used the MDP to plan two projects in different communities. This demonstrates that the political will of the municipal authorities exists even if it is nascent.

Goal 2: The Formulation of an MDP should Transfer Technical Skills and Knowledge to Participants

Training is at the heart of the process of MDP formulation for *Cooperación Española*. The training they provided focused primarily on providing municipal planning office staff and community leaders with the skills needed to complete the MDP and search for resolutions to the problems they found.

In the analysis of our community we started with “a history of the community, . . . what is the culture and what are the customs of the people of the community, . . . what are needs [within the community . . . and ended with an analysis of what are the problems that exist and then we created a vision from now in 10 years and how it looks and how we want our community in 10 years. (Interview, Chumil Xoquic, 2002)

The above process was conducted in each of the communities covered by Cooperación Española. More than providing details, the importance of the description of the process lies in the fact that the community leader, who is not associated with an NGO, remembered the process and is capable of describing it. This suggests that the process of formulating his community development plan has led to a transfer of skills that this particular community leader can utilize in helping his community to resolve its particular problems.

Community-based organizations were invited to help in the training of the communities they traditionally have dealt with. They provided personnel that received training by Cooperación Española and then left to work with rural communities (Interview, Xuya, 2002). In addition to working with the community-based organization, these community development technicians are also leaders in their own rights within their respective communities. This process oftentimes has a multiplier effect on the training that these technical staff receive.

Some NGOs saw the training of the community leaders and the work in the rural communities as a missed opportunity to have further contact with their communities. Sanchez (Interview, 2002) claims that her organization would have liked to participate in these meetings because:

We are an entity already present there . . . because the communities focus on the curative part of health and not the preventative . . . and it is where the communities could have made more suggestions or [we] could know what the communities propose so we could coordinate it with our work.

Although a missed opportunity at present, it suggests that cooperative NGOs can lend resources to help make the process more fluid in the future.

Finally, the training provided to municipal planning office (MPO) staff has proven to be quite useful. In addition to the training received by MPO staff during the community diagnostics, participatory tools for collecting information, and the writing of the final documents, MPO staff have begun requesting further training in themes that will be useful for the work that they will have to do in the future as a result of the MDP formulation. Some of these tasks are project design and management, project budgeting, office organization (Interviews, Yac and Quino, 2002, and Anonymous, 2002).

Goal 3: An MDP should Open the Municipality by Increasing Opportunities to Participate and Exchange Information among Local Development Actors

The opening of a municipality involves increasing levels of participation, coordination and communication. There are two ways of increasing participation: the first is to demand it and the second is to be offered opportunities to participate. Those demanding participation need to know their legal rights. In Cooperación Española's other municipality one leader noted that the "law of decentralization is an opportunity that all

communities should have participation in [the formulation] of proposals and in projects through coordination with the municipality and other institutions”(Interview, Anonymous, 2002). In this particular case, the leader has recognized an increase in the communication that he (and other leaders) has had with the municipality and other local development organizations.

Another anonymous informant claimed that there were three communities that did not want to participate in the formulation of community plans. However, when they saw that these plans led to action within their communities, they asked for the opportunity to participate (Interview, Anonymous, 2002). The occurrence described above highlights that many community leaders and communities as a whole are wary of the participation that they have been offered in the past. It also suggests that MDP formulation in the particular municipality has led to results that these community members can see.

In Sololá at least one member of the municipal council is knowledgeable of the changes in the opportunities given to the population and NGOs to coordinate activities and communicate.

We have our [MDP] and seeing that the manner in which the people are meeting with us making them also a part of the process and also they come to strengthen the Municipal Development Council that the government [made] law, so we have already planned . . . to educate the people that they, together with the municipality, are the proponents [of their own development] (Interview, Pocop Ramos, 2002)

This informant also recognizes that the municipal administration is increasing the level of coordination with NGOs and GOs. Realistically, he suggested that they began with maybe a 5% level of communication and coordination, but are now up to 20 or 25%.

In the other *Cooperación Española* location the situation is slightly different. Here, the municipal corporation understands that decision-making is a process that should be completed behind closed doors. After the population has participated in and presented their needs in the PDM, decisions are made without further participation. This demonstrates the importance of the personal characteristics [i.e. willingness to try out new ideas] of the elected leaders in the municipality.

The NGOs, GOs and CBOs involved in Sololá are all cognizant of the coordination with the municipality. The information collected does not, however, note whether there has been any noticeable change in the level when referenced to before the process began. Many of these organizations had already established ties with the municipalities where they are working and have continued to utilize these.

In one instance, however, they hope to “have a product that provides information about the environmental needs of the communities” (Interview, Skinner Alvarado, 2002). Although this may be a passive form of coordination, the information provided in these MDPs, if it is complete and accurate, can help to increase levels of coordination by

providing donors with a means of applying their projects to the needs and urgency of the community locations detailed in the MDP. But, Skinner Alvarado and two Anonymous interviewees note that these MDPs would be hypocritical if they forced the municipalities to be more open when they themselves were unwilling to coordinate their projects with the needs expressed at the local level.

Goal 4: An MDP should Provide a Vision for the Future of the Municipality and Function for a Long Period of Time

Although only two of the respondents replied that the MDP is intended to serve for a period of 10 years, the conceptualization of vision is more highly developed in these respondents. I quote Skinner Alvarado at length (Interview, 2002):

The purpose of this is that they should have a good viewpoint of what is happening, of what the people believe they need and that the mayors use this information for decision-making and they take into account more than ever and that it have continuity in the next administrative period. . . . Then the help of planning for projects for the mayors [is that it] gives them a longer-term vision to initiate actions seeing the long-term more and helping the municipal public administration to make changes that are not going to fall [by the wayside] with a newly elected government. . . . I don't want to tell them what the problem is, I want us to discuss it and identify them together . . . to identify together the solutions and what each of us can contribute to achieve a solution.

Of course, not everyone can articulate the purpose or their particular vision of the reasons for formulating an MDP as well. However, other respondents shared parts of this statement. There are two additional points that need to be added to the conceptualization of vision detailed above.

First, Sanchez (Interview, 2002) recognized that it helps to have outside perspectives to help people to create, detail and clarify their vision. Although this particular reference is to developing a community vision, it can be applied as easily to the process of formulating MDP in Guatemala, which was imported from international development actors.

Second, when dealing with a vision as it is outlined in an MDP, three of the respondents from municipalities that Cooperación Española dealt with mentioned that politics remains a threat to the achievement of this vision. Pocop Ramos (Interview, 2002) stated:

This is the preoccupation that we have as a [political party . . .] past administrators, past mayors, past [municipal corporations] have not had the inquietude to have a long-term development plan. Upon entering we made or formulated a development plan for 10 to 20 years, and so our

preoccupation is that if the same party does not win it could be that this plan *suffers* some change.

Interestingly, this vice mayor does not expect that the plan *should* change over the course of time. And one of the flaws with creating a political document is that it is all too often attributed to the politicians that were in office when it was created. That is, these documents are more associated with the administration than with the populations that contributed to them (Interview, Anonymous, 2002). This is apparent in the title: *Plan de Desarrollo Municipal*, which, translated directly, means municipal administration's development plan. In only one case have I seen a MDP entitled *Plan de Desarrollo del Municipio* (Development Plan of the Municipality).

Goal 5: MDP Formulation should Lead to a Maturation of Political Culture

We are giving the participation to all of the people without regard to gender, we are developing democracy [. . .] we were in this work when the [three laws were passed], which was excellent for us because [. . .] now the communities know of their needs, [. . .] at least they learned to show their needs and I also think that although to a lesser degree they are knowledgeable that through participating they can influence decision-making (Interview, Anonymous, 2002).

This elected leader recognizes the role of the opening of the municipality and the process of increasing opportunities for citizens to participate in public life. This quote also demonstrates that there is a long-term approach to maturing the political situation that has literally hundreds of years of tradition backing it up. Regarding this point, four respondents noted that it depends a lot on the political will of those elected. However, as many respondents have noted in the above discussions, the approach used by Cooperación Española has provided the population with the knowledge, if not the ability, to present themselves and their interests to locally elected officials. Herein lies the difficulty: when discussing politics it is almost impossible to disentangle local from national politics. And, oftentimes, it is this political dynamic that prevents a fuller development of political maturation at the local level.

Summary Answer to Question #3

The various procedures that the case study organizations utilize in the formulation of MDPs have led to different outcomes. (See Table 8.) By placing the majority of their effort in elected officials, the process followed by INCIDE and the expected outcomes are extremely vulnerable to the whims of the political process at both the national and local levels. This, in turn, can result in a further isolation of the population and limit opportunities to achieve long-term goals for the formulation of MDPs. At the same time, it is possible that the process that INCIDE has initiated can have long-term influence by

producing expectations and opportunities for those individuals and organizations that have participated in the process of MDP formulation.

MOVIMUNDO's approach has provided a fairly solid foundation for the attainment of a number of the goals for formulating MDPs. Along with the training provided to municipal planning office staff and municipal authorities, community organizations and leaders have received some training. There is little to suggest that there are any significant threats or, at the same time, opportunities for prominent successes. This process seems to be heavily reliant on the capacity of municipal authorities and staff to understand and apply the information that is being provided them. Given this constraint, the attainment of the MDPs goals is predicated upon finding the proper people to work with in each location. Although also applicable to other organizations' process for formulating MDPs, in the case of MOVIMUNDO goal attainment is reliant on the particular capacity of those with whom the organization is most closely working with.

At the time of the interviews, *Cooperación Española* had demonstrated the highest level of short-term goal attainment. The single largest factor that speaks favorably of the process followed by *Cooperación Española* is that the population has been able to more proactively engage their elected authorities. Although it is not clear whether the authorities provided the space or if the population demanded it, the result is that the perception of the municipalities where *Cooperación Española* is working have demonstrated slight but significant changes related to the goals for MDP formulation.

Table 8 presents a summary of the three research questions explored in this thesis. Each column represents one of the three questions that guided data collection for this thesis. The final column — 'Goal attainment for MDP formulation' — summarizes the ability of each process used by the three case study organizations to achieve the goals for the formulation of MDPs. Based on the information presented in the table above, the rest of this chapter is dedicated to addressing the broad goal of this thesis: to understand how the formulation of MDPs influences the expression of *poder* local.

Although this thesis is not intended to draw attention to the relative merits or weaknesses in the processes employed by each of the organizations, the above table obliges me to make a few specific statements. Despite having similar goals for the formulation of MDPs, the political philosophies that underlay the processes followed by both *Fundación INCIDE* and *Cooperación Española* are diametrically opposed. By focusing primarily on elected officials, the success of INCIDE's process is tied almost exclusively to the willingness of elected municipal officials to 'share' their power. As I have noted above, my informants have expressed that this expectation is dubious at best. On the other hand, by focusing primarily on the citizenry, *Cooperación Española* has begun to undermine the exclusionary socio-political structures that have traditionally held

Table 8: Summary of Findings Regarding the Research Questions

Guiding Organization	Question 1: Who participates?	Question 2: Differences in process and focus on actor groups	Question 3: Goal attainment for MDP formulation
<i>INCIDE</i>	<ul style="list-style-type: none"> • Municipal authorities are the primary focus. • The opportunity to participate is offered to all actor groups, but because of prior tensions or experience CBOs and other organizations participate only minimally. 	<ul style="list-style-type: none"> • Primary focus is on training and transfer of knowledge and skills to municipal authorities and staff. • GO and NGO participation is limited due to tradition and perceived disinterest on behalf of municipality. • CBOs and leaders receive basic training but, to date, not in their rights and obligations. 	<ol style="list-style-type: none"> 1. There is considerable incongruity between municipal functionaries and other actors concerning the role of the MDP to serve as a guide for investment at all levels. 2. Many groups would like to see more training provided to community groups because of the volatility of local political processes. 3. To date most see the opening of the municipality as still an un-kept promise although there is minimally increased coordination. 4. This process has not led to the creation of a vision for the municipality. 5. Political leaders have seen some of the benefits of increased participation, but are moving too slow for some of the population.
<i>MOVIMUNDO</i>	<ul style="list-style-type: none"> • The opportunity is presented to all actor groups, and most do participate with the notable exception of opposing political parties. 	<ul style="list-style-type: none"> • Focus is roughly equal on both the municipality and community groups. • NGOs participate in strategy setting but GOs only when similar party in office. 	<ol style="list-style-type: none"> 1. Municipal actors have a good idea of the purpose of the MDP, while others do not. 2. Skills and knowledge have been transferred to participants but the main benefit appears to be directed to MPO staff. 3. Municipalities have increased opportunities to participate by providing information to the citizens and requesting information from them. 4. Yearly evaluations help to keep the spirit of the MDP in tact while political affiliations threaten its viability. 5. Few respondents suggested that the MDP has any other function other than those listed above.

<p><i>Cooperación Española</i></p>	<ul style="list-style-type: none"> • All actors are expected to participate and build on previous relationships. Some organizations minimize their participation because of their skepticism of the value in the process. 	<ul style="list-style-type: none"> • Primary focus is on training and skill transfer to community groups and individual leaders. • Basic training is provided to municipal authorities while municipal planning office staff receive extensive training and skill transfer. • NGOs and GOs participate and contribute to MDP formulation and follow through. 	<ol style="list-style-type: none"> 1. There is general consensus that the MDP serve as a guide for investment for municipalities, but reservations exist that it will serve the same purpose for other donors (e.g. GOs and international NGOs). 2. Training has influenced the way that community leaders are able to engage themselves and has provided MPO staff with many new skills. 3. There are signs that the municipalities are more open and that the population has gained confidence in their ability to engage in their own development. 4. Vision is well conceptualized among NGOs and GOs and the population, but not by elected officials. 5. Although not representative, these municipalities have shown a basic understanding of the process of changing local (and national) political culture.
<p>Location in text</p>	<p>Chapter VII</p>	<p>Chapter VII– Table 6</p>	<p>Chapter VIII - Implications</p>

sway in Guatemala. I suspect that, in the medium and long-terms, this departure from the norm will have a more lasting influence on the efficacy of MDP formulation.

This influence is most evident in the transfer of knowledge and training programs implemented by each of the organizations. In all three cases investments made in the training of municipal planning office staff have proven fruitful. However, the result of training directed at other groups is more variable. *Cooperación Española* and, albeit to a lesser extent, MOVIMUNDO have both worked closely with community leaders and organizations to increase their knowledge and ability to insert themselves into the local level political environment. As a result, these groups have demonstrated a more proactive approach to municipal development. In the short-term, INCIDE has not been able to demonstrate to elected officials the benefits of more fully opening up their political processes to increased citizen participation. Consequently, it appears that investments in training and knowledge transfer are better spent on community organizations.

Implications of MDP Formulation

The implications discussed in this section are ordered by the specific actor groups participating in the formulation of MDPs. This is done because the broad goal for this thesis is to understand how the formulation of MDPs influences the expression of *poder local*. These influences are detailed in the following table and are discussed below.

Table 9: Impact on Expression of *Poder Local*

Key Actors	Influences of their Participation in the Process	
	Positive	Negative
Municipal Administrators	<ul style="list-style-type: none"> • Contributed to sounder decision-making. • Improved relations with communities. • Increased communication and coordination with other actors. 	<ul style="list-style-type: none"> • Highlighted that the dearth of ‘political will’ inhibits the attainment of goals associated with MDP formulation.
Municipal Planning Office Staff	<ul style="list-style-type: none"> • Led to the transfer of useful skills to staff. • Increased capacity to engage other actors. • Created a sense of how municipalities ‘should’ function. 	<ul style="list-style-type: none"> • Suggested that conflict can arise between mayors and MPO staff when/if these staff attempt to gain political power through the election process.
Community Leaders and Community-based Organizations	<ul style="list-style-type: none"> • Created a sense of optimism and interest in their own development. • Led to a fuller understanding of the process of development. • Brought attention to the role of CBOs in local development. • Produced tangible results. 	<ul style="list-style-type: none"> • Highlighted the vulnerability of the newfound optimism of community members as a result of their participation. • Signaled the need for long-term involvement in civic and general

		education.
NGOs and GOs	<ul style="list-style-type: none"> • Increased coordination and communication with other actors. • Provided easier entry into communities. • Provided a chance to reflect on their role in development. • Provided them with quality information for project planning. 	<ul style="list-style-type: none"> • Emphasized that many of these organizations do not wish to be constrained by an MDP.

Six general observations can be drawn that link MDP formulation to *poder local*. First, there exists a wide gulf between the level of access that most municipal authorities are willing to provide their constituencies and the expectations raised from increases in citizen participation. As noted earlier, one goal of decentralization is to increase citizen participation in decision-making at the local level. If providing citizens with a direct voice in decision-making cannot bridge this gulf between expectations and reality, then the MDP and decentralization will have failed to achieve one of their primary goals. On the other hand, as this research demonstrates increases in citizen participation have provided a more stable political structure at the local level and has demonstrated that these advances help to build the capacity for increasing transfers of power from central to local levels of government.

Second, training programs positively impact those receiving them. In order for decentralization programs to meet their goals, municipal administrations have to increase their public administration skills and capacity in order to meet the increased responsibilities assigned to them. The level of training received by each group is directly proportional to the skills and knowledge that they must demonstrate in their work. This suggests that the organizations managing the process of formulating MDP should invest more time and resources in providing skills and training to those participating in the formulation of MDPs. Although it is unclear at this point whether the decision to focus on either the population or the municipal administration leads to more stable results, this research suggests that by focusing more attention on the general population they will be more capable of inserting themselves into the political process. In all the cases studied training programs have had a strong influence on *poder local* no matter which actor group is being focused on because they provide each participant with a broader understanding of their roles in the development process and the options open to them.

Third, the process of formulating MDP tends to increase the knowledge that each group has concerning its role in local development. By participating in the formulation of an MDP, each individual and actor group learns what is expected of it and other actors as well as the constraints faced by the other groups. This understanding is a prerequisite for initiating a constructive dialogue between actor groups and shows promise for maturing the political processes within Guatemala. By creating this constructive dialogue, the formulation of MDPs meets one of the key orienting principles of Guatemala's decentralization initiative: to increase dialogue and negotiation among development groups. This is an important aspect of *poder local* because power is a utilized in a social

process and, in Guatemala, increases in dialogue and negotiation are expected to minimize the amount of violence that has traditionally been the norm.

Fourth, the training of municipal staff during MDP formulation is a prerequisite for the transfer of ever-greater responsibilities to municipalities. This training increases the capacity of municipal administrations to complete the tasks assigned to them and thereby suggests that the municipalities will be able to assume greater levels of responsibility. Without increasing the level of technical capacity within the municipal administration, it is highly unlikely that decentralization programs will be capable of reaching their stated objectives because of an inability to meet specified targets. This is why the process of decentralization is gradual in Guatemala. Irrespective of where you choose to place *poder local* (e.g. municipality or community), continued decentralization will help to bridge the gap between what is needed at the local level and what has been typically been provided by the central government.

Fifth, the formation of the Urban and Rural Development Councils is both an opportunity and a possible threat to sustaining the decentralization process and increased citizen participation. These councils have played an integral role in the formulation of MDPs and are considered to be the primary means of ensuring organized citizen participation and continued oversight of these MDPs. The opportunity lies in the fact that these councils are fundamental to the social reassertion of community organizations in political life and their consequent ability to organize and effectively participate in local decision-making. The threat lies in recognizing that these organizations are oftentimes not truly representative of their communities and exist, therefore, to promote the interests of local elites. It is unclear and difficult to measure the extent of participation of all groups in these Councils, but there are suggestions that the most representative ones have had larger impacts within their jurisdictions.

Finally, the single most debilitating weakness observed in the process of formulating the MDP is the limited political will demonstrated by municipal authorities. This concern was demonstrated in communities covered by each of the case study organizations and demonstrates the lack of faith that Guatemalan's have in their elected officials. There appear to be two possible outcomes: municipal administrations will either not honor the spirit and goals of the MDP or they will live up to the obligations contained therein. The first possibility will help Guatemala to meet one of decentralization's primary goals outlined in the literature review, while the second possibility will further retard the optimism that many Guatemalan's gained from the signing of the Peace Accords in 1996. The central government and particularly the Municipal Institute of Fomentation will have a critical role in the monitoring of the representation and opportunities provided to the citizenry to participate in local decision-making. Additionally, they will exhibit their political will by actively demonstrating cooperative deconcentration at the local level. Understanding that the decentralization process calls for increased citizen participation in local governance, these organizations will play a critical role in ensuring that municipal governments do not usurp *poder local* for their own, private interests.

The influences stated above demonstrate the potential power that the formulation of MDPs can have on the process of decentralization and the expression of *poder local* in Guatemala. These influences demonstrate that Guatemala is attempting to create a decentralized state from a highly centralized one. While still unproven, the opportunities embodied in MDP formulation provide a stable foundation for achieving the goals of decentralization while mitigating the negative consequences of the painful processes of structural adjustment. Success of this decentralization initiative will be achieved only if all local development actors continue learning about their roles and maintain an open, constructive dialogue.

CHAPTER IX CONCLUSIONS

In this thesis I have examined the process of MDP formulation used by three different organizations in order to understand how the formulation of MDPs influences the expression of *poder local*. I analyzed the processes employed by three organizations in order to understand this influence. Three research questions were used to frame the influence of the process:

1. What actor groups participate in the formulation of MDPs?
2. How does each actor group participate in the process of formulating MDPs?
3. Which of the three processes demonstrates the best opportunities for attaining the goals that underlie MDP formulation?

The processes used by each organization have all led to the creation of MDPs, but with differential influences on the expression of *poder local*.

The formulation of MDPs affects *poder local* by increasing the skills and capabilities of local actors. The training involved in the formulation of MDPs creates a population that is more knowledgeable of their rights and responsibilities while also providing them with the means to proactively engage other actors in the resolution of specific issues.

Poder local is influenced by the changing dynamics between local development actors brought about by the formulation of MDPs. Most notably, participation in the process, although variable in different locations and people, has: 1) increased expectations of government; 2) augmented the capacity of local actors to develop solutions to their specific development problems; and, 3) provided municipal functionaries with the skills needed to complete the tasks assigned to them. Although the full extent of change will only be apparent in time, the formulation of MDPs can lead to the attainment of the goals they share with Guatemala's decentralization program.

The three processes employed by the case study organizations have differentially influenced goal attainment of both MDPs and Guatemala's decentralization program. For example, by placing more attention on municipal administrators, INCIDE has assumed that the present administrations will be reelected. Political volatility in Guatemala threatens the ability of these municipal administrations to implement the training they have received over the medium and long-terms. The viability of this approach will be seen in the November 2003 elections. Because of the long time that it has taken INCIDE's municipalities to formulate their MDPs, much of the population questions the willingness of the present administrations to live up to the social contract that they have entered into by beginning this process. They question whether or not the process was simply another political maneuver to placate the population. Many authors (e.g. Willis et al (2001), Eaton (2001), and Montero (2001)) claim that this uncertainty threatens the viability of decentralization programs. I suggest that it also threatens the short- and long-term success of attaining MDP goals. At the same time, INCIDE has achieved success in the increased communication and coordination between municipal authorities, NGOs and

GOs, and the local population. Signs of increased coordination with central government ministries is apparent and this suggests that there are increasing levels of cooperative deconcentration.

The ‘local unity’ focus on *poder local* employed by MOVIMUNDO in the formulation of its MDPs makes it difficult to pinpoint specific strengths and weaknesses involved in this process. However, some general statements can be made. MOVIMUNDO has succeeded in increasing communication and coordination among local actors in the municipalities where it works. Increases in technical capacity and skill transfer are also evident, especially among the technical staff of the planning offices. The most noted problem associated with the process employed by this organization is derived from the relatively limited training given to community leaders.

Cooperación Española (CE), in contrast, has chosen to focus attention on the technical staff and the local populations within the municipalities where it works. This places them in the ‘power to the people’ camp of *poder local*. As a result of this focus, CE has provided community leaders with the skills necessary to analyze the problems confronting their communities and the ability to explore possible solutions along with the municipality, governmental and non-governmental organizations. This approach, when combined with the technical assistance given to municipal staff and authorities, leads to a more knowledgeable population with a higher capacity to resolve their problems.

In addition to the above, specific conclusions, the research provides insights on the linkages between MDP formulation and the broader process of decentralization.

Contributions to the Decentralization Literature

In the municipalities where they have been formulated, municipal development plans have helped to further the process of decentralization. This is demonstrated particularly by the increased human capacity of municipal functionaries to administer the tasks assigned to them, the small but growing spaces open to more transparent and participatory decision-making, and the ability of community groups and leaders to become proactively engaged in the development of their communities.

Naím’s (2000) “second-stage” reforms are premised on increasing levels of citizen participation and the creation of programs that more closely match the needs and expectations of local communities. MDP formulation has provided a direct means to achieve these goals.

Training programs are instrumental in raising human capacity at the local level. Escobar-Lemmon (2001) highlights the importance of increasing local levels of ‘human development’ so that local level actors are capable of meeting the responsibilities assigned to them through the decentralization of government. The training involved in the process of formulating MDPs has increased the ability of local actors to assume these functions.

While the formulation of MDPs creates interest on the part of local populations and increases their capacity to actively participate in decision-making, local authorities have not demonstrated the political will to more fully engage the populace. As Willis et al. (2001) point out, the lack of a history of civic engagement can threaten the viability of decentralization measures and, consequentially, MDP goal attainment.

The single biggest threat to the viability of MDPs and the stability of Guatemala's decentralization initiative is a lack of demonstrated political will at local and national levels. As noted in the literature review, party politics, central party control over funding, the manner of distributing discretionary funding, an apparent inability to coordinate, and an immature political culture, all negatively influence the stability of decentralization.

The next five years are critical to the institutionalization of decentralization in Guatemala and, indeed, in all of Latin America. This research has shown that the stability of the present decentralization initiative and opportunities embodied in the formulation of MDPs are closely related. National and international organizations can promote decentralization by continuing to provide support to municipal administrations and by assisting community groups and individuals to assume their legally ascribed rights and responsibilities.

Although the details of this research are primarily taken from Guatemala, historical similarities between Guatemala and its Latin American neighbors begs that an examination be conducted of similar programs throughout the region. The ubiquitous presence of decentralization programs in the region suggests that municipal level planning represents an under utilized and poorly understood tool of decentralization. By focusing on the opportunities and strengthening the weaknesses, it is possible that the formulation of MDPs can play a pivotal role in strengthening the democratic reawakening happening within the region. However, this requires that national and international developmental non-governmental organizations, community-based organizations, and government leaders at all levels learn to work with one another in the promotion of shared interests.

Future Challenges and Recommendations

The above conclusions and their supporting evidence suggest that there are a number of challenges to be met in increasing the opportunities for MDP to achieve their stated goals:

1. Training and the transfer of knowledge have had the strongest impact among those involved in the formulation of MDP. Donors and funding agencies, both domestic and international, should continue to focus on strengthening the capacity of local actors to be protagonists in the process of development at the local level.
2. If domestic and international funding agencies are truly concerned with the promotion of democratic ideals and governance issues at the local and national levels, they should embrace municipal development plans and open their internal funding mechanisms to permit increased flexibility and to constructively respond to the shared goals and needs between their organizations and local populations.
3. In order to build faith in democratic processes and provide long-term stability, continued education of and support for local populations and their institutions is critical. As one interviewee noted, it is these groups that are permanent.
4. The formulation of MDPs is a process. In order to achieve the goals outlined in this research, all actors have an integral role to play in both the short- and long-term. Continued support from local and national governments, and donor organizations is invaluable.
5. The formulation and follow-up of municipal development plans has demonstrated significant capacity to achieve the goals set forth above. Continued interest and analysis is warranted.
6. Municipal governments are incapable (or unwilling) to pay the salaries that technical staffs of NGOs receive. This results in a 'brain drain' effect where talented staff members are constantly searching for the more lucrative benefits available outside of public service. This trend should be checked.

Suggestions for Future Research

This research has drawn on information available at the early stages of experience in the formulation of municipal development plans. Although the present research has contributed to the understanding of MDPs, at this stage more questions than answers remain. Therefore, the following themes are suggested for investigation in the future.

- What experience have other Latin American countries had with MDPs and how can these experiences be transferred among these nations?
- What are the cultural and societal factors that support and hinder the achievement of the goals underlying the formulation of MDP?
- How would an ethnographic study of power relations at the municipal level prove useful for better understanding *poder local*?
- What are the strongest pitfalls of participatory planning in communities that have few funds to achieve their desired outcomes?
- What are the best practices employed in Latin America or around the world that enable the maturation of local and national political cultures?

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Appendix A Schedule of Interview Questions

For NGOs and GOs:

What is the purpose of formulating an MDP?

What do you hope will be the outcome of your participation in the process?

In what phases of the process have you or your organization participated? And how have you participated?

Are you satisfied with your level of participation?

According to your criterion, have all interested parties participated in the formulation of the MDP?

How has this process affected the relationship you have had with other local development actors?

What effect is the MDP going to have on your organization's work plans?

How has this process affected *poder local* in the municipalities where your organization works?

Members of local government:

What is your general opinion about the Municipal Development Plan?

In what phases of the process have you or your organization participated? And how have you participated?

Are you satisfied with the level of participation that the local government has had in the process?

Speaking of the process of formulating the MDP, has it affected the way that you see your work as an administrator of the municipality?

How is the municipal corporation going to use the MDP?

Do you believe that the entire municipality is represented by the MDP?

If there are changes in local authorities in the next elections, do you think the MDP will function for the next authorities? (How? and Why?)

Have you had more communication and coordination of with the NGOs and GOs, and your communities as a result of the process?

Community Leaders:

What is your general opinion about the Municipal Development Plan?

In what phases of the process have you or your organization participated? And how have you participated?

Are you satisfied with the level of participation that the local government has had in the process?

In the short- and long-terms, how do you think that the MDP will increase the quantity and quality of participation of citizens?

Do you think the MDP reflects the whole municipality?

Do you think the MDP is going to play a role in the upcoming elections?

If there is a change in local authorities in the next elections, do you think the MDP will function for the next authorities?

Have you encountered more participation than before from your neighbors in the development of their communities?

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