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UNDERSTANDING POLITICAL DECENTRALISATION
THE CASE OF CHILE

By

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Thesis submitted for the degree of Doctor of Philosophy (PhD)

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To Bettina and Vicente

ABSTRACT

This research is about administrative and political decentralisation processes, especially the efforts made by the Chilean state towards regional decentralisation. Thus the analysis is focused on two reforms: the creation of the Division of Planning and Development within the regional government and the direct election of regional councillors, which aims to reorganise the regional governments. Qualitative research and instrumental case study approach were used in order to develop this research.

The research addresses three main topics: the understanding of decentralisation that key actors have, so that the agency according to that understanding; the scopes of the two reforms so far; and the relationship between the central state and the regions. Thus, the main findings are that Chilean decentralisation has been implemented with excessive caution and gradualism and that informal relations between key actors are essential in the creation of collaborative spaces. The research also discusses whether decentralisation is a process or a sequence of isolated events in Chile. Finally, the tension between administrative and political decentralisation is analysed in order to have a better understanding of both processes.

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‘Perche un mondo senza musica
non si può neanche immaginare.
Perche ogni cuore, anche il più piccolo
è un battito di vita e d’amore
che musica è’

Declaration

I Flavia Velásquez-Forte declare that this thesis is my own work and I have not presented it to other university or institution before.

Signature

Abbreviations / Acronyms

ARI: Anteproyecto Regional de Inversiones – Preliminary draft of regional investment
BIP: Banco Integrado de Proyectos – Integrated data bank of projects
CEPAL: Comisión Económica para América Latina y el Caribe - Economic Commission for Latin America (ECLA)
CONADERE: Consejo Nacional para la regionalización y descentralización. National Council for Regionalisation and Decentralisation.
CONAMA: Comisión Nacional de Medio Ambiente – National Commission for Environment
CONICYT: Comisión Nacional de Ciencia y Tecnología – National Commission for Scientific and Technological Research.
CORE: Consejo Regional - Regional Council (Part of the Regional Government)
CORES: Consejeros Regionales (Regional Councillors)
CORFO: Corporación de Fomento de la Producción – Chilean Economic Development Agency
DACOG: División de Administración y Control de Gestión – Division of Administration and Control of Management
DAF: División de Administración y Finanzas – Division of Administration and Finances (part of the Regional Government)
DDU: División de Desarrollo Urbano – Division of Urban Development (Part of MINVU)
DIPLAD: División de Planificación y Desarrollo Regional - Division of Planning and Development (Part of the Regional Government)
DIPRES: Dirección de Presupuesto (Ministerio de Hacienda) – National Budgetary Secretary (Treasury Ministry)
DUI: Departamento de Desarrollo Urbano e Infraestructura - Department of Urban Development and Infrastructure (Part of SEREMI MINVU)
EDR: Estrategia de Desarrollo Regional
ERD: Estrategia Regional de Desarrollo
FNDR: Fondo Nacional de Desarrollo Regional – National Fund for Regional Development
GORE: Gobierno Regional - Regional Government
INTENDENTE: Head of Regional Government and Principal of Regional Council (Appointee by the President of Chile)
IPT: Instrumento de Planificación Territorial – Instruments of Territorial Planning
LGUC: General Law of Urbanism and Construction
MIDEPLAN: Ministerio de Planificación - Ministry of Planning and Cooperation
MINVU: Ministerio de Vivienda y Urbanismo - Ministry of Housing and Urbanism
OGUC: Ordinance of Urbanism and Construction
ODEPLAN: Oficina Nacional de Planificación / National Office of Planning
PLADECO: Plan de Desarrollo Comunal – Plan of Communal Development
PNUD: Programa de Naciones Unidas para el Desarrollo – United Nations Development Programme (UNDP)
PMG: Programa de Mejoramiento de la Gestión – Management Improvement Programme
PRDU: Plan Regional de Desarrollo Urbano – Regional Plan of Urban Development
PROT: Plan Regional de Ordenamiento Territorial – Regional Plan of Territorial Order
RS: Recomendado Socialmente – Socially recommended
SBIP: Sistema del Banco Integrado de Proyectos – Integrated Bank of Projects' System
SECOPLAC: Secretaría Comunal de Planificación y Coordinación – Communal Secretariat of Planning and Coordination (Part of local government)
SEGPRES: Ministerio Secretaría General de la Presidencia – Ministry of General Secretariat of Presidency
SEIA: Sistema de Evaluación de Impacto Ambiental – System of Environmental Impact Assessment
SEREMI: Secretario Regional Ministerial - Head of a Regional Office of a Ministry
SEREMI MINVU: Secretaría Regional Ministerial de Vivienda y Urbanismo - Regional Office of MINVU
SERPLAC: Secretaría Regional de Planificación y Coordinación - Regional Office of MIDEPLAN
SUBDERE: Subsecretaría de Desarrollo Regional - Subsecretariat for Regional and Administrative Development of Chile (Ministry of Domestic Affairs)

*** All quotes translated from Spanish to English are in *italic*

CHAPTER I

INTRODUCTION

‘If we can unite a sense of the other with a sense for the other it becomes possible to do research with people and for people rather than just on people. And if we can make these connections it becomes more likely that we will be able to redirect our future research in order to engage with a truly moral human geography which seeks to contribute to a more just and equal society’

(Cloke et al, 2004 p374)

One thing that I have struggled with for a long time is how our contributions to knowledge can be brought down to society, how we can link our research with the people researched in the sense that sometimes academics seem to be alienated from the ‘real world’ and also the ‘real world’ is indifferent to academic knowledge and debates. Although many topics may be directly applied to reality such as urbanism, politics and other sub disciplines of geography, it seems to me that the words of Cloke et al (above) show there is a missing link between research and people, and remind us that the ultimate aim of research is to contribute to a better society. Therefore, being a researcher entails the responsibility not just over the research that we conduct, but also towards the society in which we live.

Another important issue for me has been how our understanding of the world changes over time and from the perspective of thinkers. The different interpretations that a fact can have in this postmodern era emphasises that there is no one truth, but different perspectives of a truth that we cannot see completely. The construction of knowledge never happens in one day; it is a continuum of questions and answers, and more questions – or the same questions with different connotations – and new answers to the same old questions. So, there are no ‘revelations’ but a constant evolution of thoughts, like a spiral.

The above has motivated me to conduct this research. On the one hand, there was the need to be integrated - not isolated - from the society, in which I work as a bridge - or an interpreter - between the two worlds of academia and the public apparatus. On the other hand, the existence of different perspectives of a certain topic - all valid –, boosted the need to seek new ways to understand decentralisation.

The reasons to choose Chile as a case study are many, but the two principal ones were first of all my personal attachment to the country and secondly, the significance of the case. From a personal perspective, I have the advantage of knowing the case from inside – as Chilean and as a former public servant, which allowed me to have a better and wider understanding of the subject - due to my knowledge of the Chilean historical background, economic and political system, and legal framework - and also gave me the empirical

advantage of having access to key documents and actors of the decentralisation process. Secondly, the significance of the case as the centralist and authoritarian history of Chile and the implementation of neoliberalism as the shaper or the re-shaper of Chilean economy, Constitution, state and culture since the middle 1970s, gives unique and fascinating conditions in which to analyse political decentralisation. In the following pages these elements will be explored in order to contextualise the efforts towards decentralisation in a country bound to a highly centralist culture.

CONTEXTUALISING DECENTRALISATION IN TIME AND SPACE

Decentralisation has changed over time, having different emphases and meanings through history. The last trend of decentralisation in the West emerged as a response to the crisis of the Welfare state¹ in the late 20th Century, when it was seen as a means to improve the provision of public services: on the one hand through the privatisation of some of these, such as water, electricity, education and health; and, on the other hand, through territorial decentralisation, where subnational governments could respond directly to the needs of the people (Rondinelli, 1989). Although decentralisation has been a trend since the 1950s, it was not until the 1970s that decentralising measures towards the improvement of the provision of public services and the achievement of greater economic development were spread widely across the world (Conyers, 1983, 1984), promoted by international agencies, such as the United Nations and the United States Agency for International Development (USAID) and supported by central governments in different countries (e.g. Rondinelli 1983 on Asia and Conyers 1983 on Africa). Despite its popularity, the issue of decentralisation's applicability was raised by Rondinelli (1981), who stated that decentralisation was a concept developed in Western countries within a Western culture, which may not be totally applicable to developing countries. Because of that, decentralisation models applied across the world might not generate the same outcomes as in the West. The consideration of different cultures and economic and socio-political conditions is still very important during the application of decentralisation as non-western countries often operate on a different logic: e.g. countries with a high level of corruption could increase that problem through decentralisation owing to less control from central government over local authorities.

In the 1980s the discussion was about what decentralisation was and how it had to be applied. There was a wide debate around what decentralisation meant, whether it entailed

¹ Social system created in the 1930s whereby the State assumes responsibility to ensure a basic standard of welfare to all its citizens (the dictionary of Human Geography, 2009, p807-808).

just deconcentration or also devolution (see Rondinelli 1981, 1983; Conyers, 1984, 1986), in which deconcentration was understood as a transfer of functions and devolution as a transfer of power (Seely 2001 p501); in other words, where would decisions be made: at the national or the subnational level?

At the end of the 1980s and early 1990s, different kinds of decentralisation were recognised and analysed, such as administrative decentralisation, political decentralisation and economic decentralisation (Von Haldenwang, 1990). Von Haldenwang (1990) understood decentralisation as *an instrument for the stabilisation of a political system in crisis* (p61), and explained that *decentralisation had turned into a fashion in Latin American* (p61; also De Mattos, 1989); he also exposed the lack of clarity about what decentralisation meant or did from a political point of view. In addition, sceptical and critical points of view regarding decentralisation were raised as more literature from Latin America was published e.g. De Mattos, 1989 and Arocena, 1989. The key point for them was that a political and administrative reform of the state alone is not enough to achieve decentralisation and development; a thick well-developed civil society, is needed as well. This showed how Latin American governments were interpreting political decentralisation, reducing it to a state reform. Moreover, during the late 1990s and early 2000s there was an increasing worldwide concern in the literature about the potential dangers arising from decentralisation, such as corruption, the presence of *caudillismo*², the power of multinational enterprises and the vulnerability of local interests, among others e.g. Prud'homme, 1995, Bardhan, 2002 and Fisman and Gatti, 2002.

Decentralisation is a global trend as observed above, generated by different motivations; it is related to feelings of identity and belonging, to the global market and neoliberalism, and to the reorganisation of the state among others. Decentralisation has been promoted by different sectors of society from all colours of the political spectrum, central and subnational governments and minorities. Over the last 30 years the demand for greater transference of authority and resources towards subnational tiers of the government has increased (Rodríguez-Pose and Bwire, 2003); decentralisation has been gaining adepts to the point where it is fashionable nowadays. In the 1980s decentralisation was seen as a

² The phenomenon in Latin America called caudillismo, by which a government is controlled by leaders whose power typically rests on some combination of force and personal charisma (caudillos) <http://www.britannica.com/facts/5/201167/caudillism-as-discussed-in-personalismo-Latin-American-politics> (February 2011)

In Latin America Federal nations with less-developed party systems frequently gain some of the same decentralizing effects through what the Latin Americans call *caudillismo*—in which power is diffused among strong local leaders operating in the constituent polities. Caudillistic noncentralisation apparently exists also in Nigeria and Malaysia (<http://www.britannica.com/EBchecked/topic/100367/caudillism>) (February 2011)

radical idea but now it is seen as a natural practice (Burns et al, 1994). Furthermore, according to Rodríguez-Pose and Ezcurra (2010), “the trend towards decentralisation has been relentless and widespread among most large countries in the world, regardless of their level of development” (p621) and nowadays countries are devolving political, fiscal and administrative powers to subnational levels.

There are different degrees of decentralisation, Keating (1998) identifies four, from the weakest to the strongest: functional decentralisation, which is the establishment of some agencies with specific tasks at the regional level in response to specific needs; regional institutionalisation, where key institutions – e.g. central state, local governments, unions, private sector - have a defined role in order to achieve a common goal, such as regional planning; regional administration, which is a deconcentrated subnational body of the central government; and regional government, which is an autonomous elected political body with its own functions and powers. Different forms of decentralisation around Europe have been identified, such as federalist governments (Germany, Austria and Switzerland) - in which each level has a clear sphere of competences, constitutional power’s distribution and the relationship between levels is not hierarchical - and regional devolution - in which the central state transfers some functions to subnational governments, but the relationship between levels is hierarchical (Keating, 1998). The latter can be found in France, Poland and Italy, which presents different limited regionalisation with delimitation of competences and overriding power from the central state. In addition, some countries grant equal functions and powers to each region, which is called symmetrical devolution – e.g. France and Germany. On the other hand, asymmetric decentralisation – e.g. UK, Spain and Portugal - means that regions have different functions, powers and degrees of autonomy (Keating, 1998; Mackinnon et al, 2008; Rodríguez-Pose and Ezcurra, 2010). Also, transition countries in Eastern Europe and central Asia, and low and middle-income countries from Asia, Africa and Latin America are applying decentralised measures (Rodríguez-Pose and Ezcurra, 2010).

THE LONE STAR

Since the outset of the Republic³ there has been tension between Santiago – the capital - and the regions, but the unitary and centralist state has always prevailed. The lone star, as the star of the Chilean flag is known, represents the state, which alone in the sky

³ Chile’s independence process ended in February 1818 with the Oath of Declaration of Independence. The republican history of Chile started in 1810 with the establishment of the First Chilean Government Committee - which governed in the name of the king of Spain while he was prisoner of Napoleon - until nowadays (Villalobos, 1993).

concentrates the power and keeps vigil over the nation. A star that illuminates the country and guides the destiny of its inhabitants; thus, the Chilean state has traditionally been seen as the father that takes care of his children.

The process of independence of Chile and its first steps towards the republican state were led by the mercantile and monopolist oligarchy, with the main purpose of transferring the colonial monopoly market from Spain to the economic elites based in Santiago and Valparaíso (Salazar and Pinto, 2012). Thus, the centralist elites sought political power in order to replace Spain as the main agent in the external trade of the colonies and to open trade with other countries⁴. In order to do this, the Chilean state was constructed with the idea of a strong, conservative and centralised state, also called the Portalian state, in honour of its creator and main articulator Diego Portales⁵ (Villalobos, 1993 and 2000; Mires, 2012; Salazar and Pinto 2012).

Despite the above, there have always been core-periphery tensions between the central and the subnational levels. The following quote reflects the tension produced by the centralism in 1826, which shows how this has been an issue since the very beginning of the republican history of the Chilean state. The quote comes from a speech given in the national Congress by Manuel Antonio González, a representative of Coquimbo Province in 1826⁶.

‘Para mitigar el odio a la monarquía, se nos dice que tratan de constituir una república; pero la centralidad está en contra de ese nombre lisonjero... Si el objeto de la unidad centralizada es hacer un gobierno robusto, fuerte, capaz de aniquilar media nación en un momento, ¿quien destruye ese coloso cuando quiere perpetuarse? República es aquella en que los pueblos, mirando su propio interés, protegen el todo de la asociación; pero si el bien i el mal les han de venir precisamente del centro, los pueblos no son otra cosa que instrumentos de la tiranía... En el sistema central, sólo los aduladores de la Corte tienen colocación en los empleos, i a éstos se les da como de obsequio el mando de una provincia, que comúnmente sacrifican a su ambición’

‘To mitigate the hatred of monarchy, we are told that they attempt to form a republic, but the centrality is against this flattering name... if the object of the centralised unit is to make a robust and strong government, capable of annihilating half nation in a moment, who destroys this colossus when it wants perpetuate itself? Republic is one in which the people, looking out for their

⁴ The support of the British crown was essential in this matter; it not only helped economically Chile's independence, but also sent the British Royal Navy in order to help the new Republic to consolidate its internal power (Salazar and Pinto, 2012).

⁵ Diego Portales was a statesman and entrepreneur, who lay the foundations of the Chilean state and was the main author of the constitution of 1833 – which was valid until 1925.

⁶ Originally, the political-administrative division of Chile was in provinces, which were led by a city. E.g. Valdivia, Concepción, Valparaíso, Coquimbo, etc.

own interests, protect the whole of the association, but if the good and the evil they have come precisely from the centre, the people are nothing but instrument of tyranny... In the centralist system, only the flatterers of the court set the jobs, and the command of a province is given to them as a gift, which is commonly sacrificed to their ambition'⁷

González made two significant points in this quote: the first one is related to the exchange of the Spanish crown for a centralist state, the second one, related to the perils of appointing people to key positions in the provinces. González argued that centralism is another form of tyranny and that is against the idea of a republic. Thus, the provinces felt used in order to achieve the independence of the country, not for them but for the Santiaguine elites. The second point made by González is that provincial authorities - appointed by the central government - were not engaged with the welfare of the territories they ruled, but focused on their own ambitions.

This quote is far from being obsolete; the issues posed by González are still valid. Nowadays, the regions (former provinces) are still discontented with the central state, claiming more autonomy in decision-making, highlighting the dangers of having political authorities that are not from the territory they are ruling and railing against the excessive centralism of Santiago.

The development of the state centralism has kept pace with the curtailment of subnational sovereignty (Salazar and Pinto, 2012). The republican history of Chile has been characterised by the continuous disarticulation of the republican culture of cities and villages inherited from Spain, disarticulation that after two centuries has as a consequence the civic poverty of the local citizen (p267). The power struggles between the capital and the rest of the territory had resulted in the development of stronger centralism in Santiago in order to keep control over the regions, which in turn, has resulted in the current antagonism between Santiago and the regions. The centralism of the state has been questioned mainly because of the state's inabilities to reach all the territory and to respond properly to specific people's needs, such as those in the inaccessible areas in the far north (altiplano) and the far south (Patagonia).

The outset of Chilean centralism is related to economic power, as it was used by the oligarchy as the way to control the mercantile economy during the 19th century. Chile was born capitalist; on the one hand, the Spanish neomercantilism had been applied all over its colonies during the 18th and 19th century, and on the other hand, economic liberalism predominated since the second half of the 19th century (Gárate, 2012) – the latter under the

⁷ Salazar and Pinto, 2012 p272

guide of British economic interests⁸. Regarding Salazar and Pinto (2012) the main purpose of the national elites was to have a strong central state in order to monopolise the external trade, giving less or no importance to the internal economy. During the second half of the 19th century the provincial elites were included in the political parties and integrated to the national economy, which assured their support for the central government and the suppression of provincial resistance. Salazar and Pinto (2012) explain that those provincial elites slowly migrated to Santiago and adopted the same lifestyle and dominance as the traditional Santiaguine elites. They argue that the expansion of the political elite produced a widening of the territorial control of the mercantile oligarchy, disrupting the unity of the local community in the provinces. Thus, the economic and political power was centralised in Santiago during the first century of the Chilean republic.

Through out Republican history the hegemony of Santiago has been questioned by subnational elites that wanted more participation in political decision-making. Examples of this are the insurrections of Coquimbo, Concepción and Valdivia during the 19th century (Villalobos, 1993 and 2000; Salazar and Pinto, 2012). The civil war of 1891 – also called ‘the revolution of 91’⁹ – during Balmaceda’s government (Villalobos, 1993 and 2000) was not directly related to the tensions produced by centralism, but to the confrontation of two groups from the same oligarchy: one parliamentary¹⁰ and the other presidential (Villalobos, 1993). Although the main issue was about economic reforms and political power (Villalobos 1993), these two groups held differences regarding the implementation of a decentralising project. Balmaceda’s proposal included to replace the Constitution in order to make the new one less authoritarian, therefore the government regimen would be more representative and it could act through a decentralised administration. On the other hand, the parliamentarians’ proposal was not structural; they proposed less radical changes related to the electoral system in order to diminish the electoral centralism, in other words, they sought the arrangement of the political parties around the Executive (Salazar and Pinto, 2012). At the end of the conflict President Balmaceda committed suicide and with him died the last attempt towards decentralisation until the second half of the 20th century.

During the 20th century, the Chilean state continues with its centralist practices and increasing them to the point of being accused of being hyper-centralist since the 1950s by its detractors, mainly from the communal level, as the state had interfered in their budgets and decision-making (Salazar and Pinto, 2012). Several attempts to reorganise the country were made during the second half of the 20th century, such as the CORFO and

⁸ During the 19th century Britain had many economic interests in the former Spanish colonies, mainly in mining and trade (guano and nitrate).

⁹ La Revolución del ‘91

¹⁰ Supported by British economic interests in the northern mining

ODEPLAN¹¹ proposals'. Finally, a process called 'regionalisation' - a political-administrative reform implemented under Pinochet's regime - started in the 1970s, aimed at a more efficient structure of the national state. Thus, the country was divided into new regions, provinces and communes in which each of the sublevels was hierarchically tied to its upper level and had authorities appointed by the central government (see chapter IV for further details).

It seems paradoxical – or at least curious – that the most systematic and successful policies towards decentralisation started under the longest and harshest dictatorship that Chile has experienced and also the most hyper-centralised government in its history. Salazar and Pinto (2012) argue that the 'regionalisation' and the 'municipalisation' – the process to devolve some functions to the communal level, such as education – were consequences of a market logic and part of the capitalist restructuration of the country (see also De Mattos, 1989); therefore it is a reform that stems from the implementation of neoliberalism and not from the need of better representation and governance. Thus, it is not paradoxical but logical that the early administrative decentralisation was implemented by a government eager to transform the economic and political system of the country (see chapter IV).

There were no further steps towards decentralisation during the dictatorship, and the next milestone was the achievement of full communal autonomy in 1992, after the return of democracy. Although there have been many important steps to increase regional decentralisation – such as the creation of regional governments in 1993 and the creation of the Regional Council in 1997 - the regional level is still tied to the central level politically and economically and the lone star continues its vigil over the country (see chapter IV for further details).

TERRITORIAL AND DEMOGRAPHIC CONTEXT OF CHILE

Chile is a long and narrow country - 4329 kms. long and 180 kms. wide on average - located on the west coast of South America between 17°30' LS and 56°30' LS¹². Due to its shape, it can be divided in five macro zones: Big North (Atacama desert), Small North, Central Zone, South and Patagonia, reflecting their respective variety of climates and biodiversity. As a consequence, Chile possesses multiple resources such as minerals, forestry, agricultural products and fish, among others, and bases its economy on the exploitation and exportation of them in raw and processed forms.

¹¹ CORFO: Chilean Economic Development Agency / ODEPLAN: National Office of Planning

¹² This description can be only applied to Continental Chile, without Antarctic and insular territory

Fig 1-1: Localisation of Chile¹³



The Chilean economy is based mainly on copper exportation followed by forestry and primary products (OCDE, 2009). Despite that, its strategy over the last 30 years has been to diversify both production and target market. Thus Chile has become known for its fruits, wine, fishmeal and cellulose among other products all over America, Asia and Europe, with which Chile had signed many Free Trade Agreements. Also, Chile has been diversifying its economy promoting industry, mainly based on primary goods, and services (ibid). Over the past three decades Chile has achieved economic growth due to solid macroeconomic management and a stable regulatory framework (ibid).

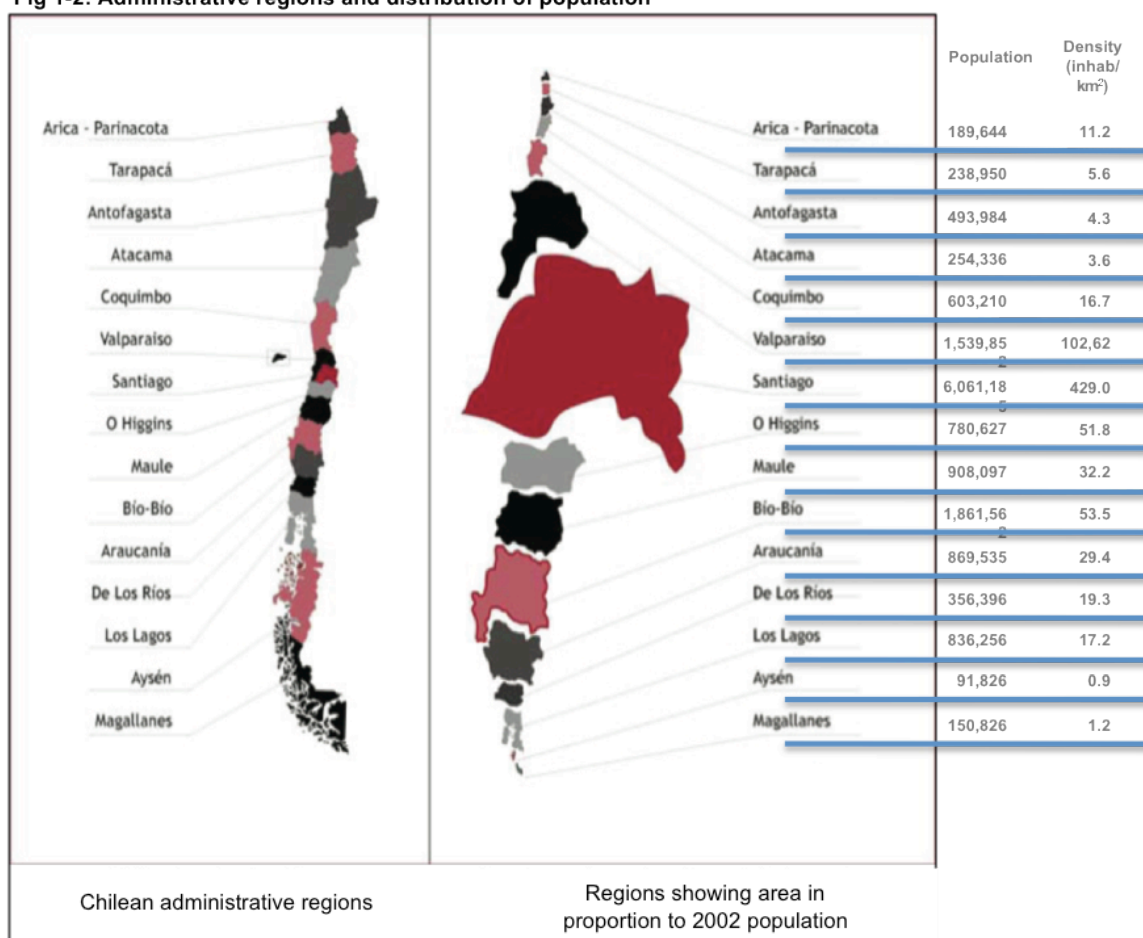
Chile is known worldwide for being one of the most stable and prosperous countries of South America; characteristics such as the GDP per capita, the quality of life index, the human development index, a low perception of corruption and steadier economic growth allowed Chile to join the OCDE in 2010. Despite its national prosperity,

¹³ Map elaborated by Mike Shand, School of Geographical and Earth Sciences, University of Glasgow.

Chile faces huge problems of inequality of wealth proven by the gini index of 0.501 (OCDE, 2011).

According to the Census of 2002 Chile has 15,116,435 inhabitants, who are mainly concentrated in the Central Zone; Santiago, the capital, houses 40% of the population. Figure 1-2¹⁴ shows on the left side the political-administrative regions of Chile, while that on the right side represents the area of each region according to the proportion of its population in 2002.

Fig 1-2: Administrative regions and distribution of population



Chilean population is distributed unequally and decreases from the centre towards the periphery. Also, territory and population are inversely related, as the peripheral regions¹⁵ have the biggest territories and the smallest population, while the regions located in the centre of the country have smaller territories but more people. As a consequence, there is also a concentration of financial resources, public and private services, greater diversity of goods, etc. in the centre.

¹⁴ Map Source: Chile será descentralizado o no será desarrollado. Edited by Heinrich Von Baer, 2008 p9

¹⁵ In Chile the regions of the far north (Arica-Parinacota, Tarapacá and Antofagasta) and the regions of the far south (Magallanes and Aysén) are also called 'peripheral regions' due to the huge distance from Santiago.

Any attempt toward decentralisation should consider the uneven distribution of population in order to address related issues such as the distribution of fiscal resources – which are allocated according to the population - and the lack of regional capacities (see table 1-1¹⁶). Regions are funded through two ways: the National Fund for Regional Development (FNDR) and by sectoral investment from ministries. The FNDR is the instrument used by the central State to transfer fiscal resources to regions and is administered mainly by SUBDERE¹⁷. The Regional Governments present proposals to the central body, which are approved or modified by SUBDERE and/or DIPRES¹⁸. On the other hand, sectoral investment comes directly from ministries to their regional branches, in which the regional governments have no participation. In both cases the normal criteria for public expenditure is the quantity of people who would be benefited by a certain investment, so that projects or programs that benefit larger populations are usually prioritised over those aimed at territories with less population.

Table 1-1: Chilean centralism

	Santiago	Regions
Surface	2%	98%
Population	40%	60%
Public expenditure	85%	15%
Economic groups	46	1
Banks	100%	0%
Stock market operations	97%	3%

RESEARCH QUESTIONS

The main focus of this research is political-administrative decentralisation processes, particularly the endeavours made by the Chilean state towards greater regional decentralisation. As explained in the following pages, my interest in decentralisation issues started from the reforms of 2005 and 2009, which aimed to re-structure the regional governments. The research questions emerged from those particular reforms and my desire to contribute broadly to the debate about state transformation, political decentralisation and power relationships within the state structure. I wanted to ‘humanise’ these topics by examining the way that public policies are implemented by people who have their own beliefs, values and ways to work. As human beings are active agents in the construction of their environment, this research also aims to contribute to understanding the influences that state personnel might have over the outcomes of these reforms. Different groups of people, with different interests and goals also construct different relations within, among and

¹⁶ OECD 2009

¹⁷ Subsecretariat for Regional and Administrative Development (Ministry of Domestic Affairs)

¹⁸ National Budgetary Secretary (Treasury Ministry)

between the institutions they represent; how are all those ideas integrated into policies that contribute to build a better place to live? How are agreements made when actors are caught inside a net of power relations - political, economic and social? When they are not free to make decisions?

First of all, I started this research in the quest of some answers, but also knowing that on the way more questions would stem from them. Some questions had grown inside of me during the time I was working for the government in Chile: these were related to power relationships and the role of individuals in the decision-making process. How are power relationships defined between and within levels in the state apparatus? What makes them change? Are these power relations formal or informal? To what extent is it individuals who define these power relations? My master's dissertation was about the approval system of territorial order plans at regional level and the tension produced between technical and political decisions. While doing the field trip for this, I realised there was a concern among public servants at the regional level regarding the transference of territorial and strategic planning towards the regional government. Although it was not directly related to my master's research, as I was in Chile I decided to take the opportunity to question participants regarding this issue. Thus, at the outset of my PhD, I had relatively clear idea of the last steps towards regional decentralisation that were being implemented in Chile. What had taken my attention was the suspicions and sometimes open resistance towards these changes from the regional state personnel I had contacted during that research. Besides, at that time it seemed to me that the central body in Chile had a more complete view/understanding of the situation (centralism/regionalism) than the regional body, which did not have access to the information and assessments made by the central state (Ministry of Domestic Affairs). Besides, the fact that decentralisation processes in Chile were led by the central body seemed to me a paradox, as the Chilean state has always been characterised as highly centralist, paternalist and assistentialist; therefore an attempt of the central body to instigate decentralisation did not make sense to me.

Having these two issues in mind, I started my PhD with the idea that decentralisation should be approached from a different perspective, that is to say, not only from the effectiveness or success of those policies, but also from the perspective of how the actors implement them. Therefore, the focus is not only on the policy itself but on the agents working on it and affected by it; how the actors react to new policies, how willing are they to participate in them, how involved they feel, to what extent their beliefs, values and interests interfere with the implementation of such policies and, of course, how these elements affect the outcomes. Also, the understanding of the relationships among actors became the centre of my interest; how a policy developed in the capital was implemented

in the regions, how it was received, what were the attitudes of the actors regarding it... and finally, taking all these elements in consideration, whether those policies were born to succeed (more or less) or were condemned to failure from the outset because they were top-down imposed.

Three questions stemmed from those preliminary thoughts, which are addressed in this research in an attempt to contribute both to the understanding of the Chilean case and to the academic debate: How is political decentralisation shaped in Chile? To what extent are regional governments being empowered by the decentralisation process? and What is the relationship between the central state and the regions regarding the political decentralisation process?

The first research question – how is political decentralisation shaped in Chile - aims to ascertain the points of view of the actors involved in the decentralising processes and through that, to understand how decentralisation is being shaped. In others words, what are the meanings of decentralisation that each actor holds as an agent of decentralisation and what are the discourses behind those meanings. This is for two reasons: firstly, from a technical point of view, the understanding of the task (in this case the implementation of decentralising measures) will lead to the way the task will be done; and secondly, from a political point of view, the discourse behind the meaning will define the expected outcomes of the task. For instance, if the actors are influenced by the economic discourse, they will work to improve the efficiency of the service delivered by the state; on the other hand, actors influenced by the political discourse will aim to improve governance and democracy. Thus, even the assessment of the outcomes will be different regarding the leading discourse of a certain policy.

Thus, the first question gives a frame in order to contextualise the decentralisation process in Chile, which leads to the second research question - to what extent is this process empowering the regional governments. This question points to the practicalities of decentralising policies, especially in terms of the positionality and strengthening of the regional government within the net of relationships at regional level. So far regional governments have faced two situations: firstly, they are ‘young’ institutions - created in 1993 - so there is not enough recognition from other public institutions and, secondly, their role has been mainly administrative. Taking this into account, the effectiveness of decentralising policies becomes crucial for regional governments because it might be the key to finally achieve the leading position within the regions that they should have.

Finally, all of this leads to the last research question – what is the relationship between the central state and the regions – which aims to understand the extension of the autonomy and freedom of the decision-making processes of the regions. In other words,

are the regions having a greater capacity of negotiation? Are they in a better position with respect to the central body? Can they make their own decisions with respect to their own aims? Has the central body been able to release the regions to their own fate? Therefore, the ‘contradiction’ of a decentralisation process led by the central body is addressed here, mainly regarding the relationship between ministries and their regional branches.

OUTLINE OF THE THESIS

This thesis has been organised in eight chapters, including this introduction. The second chapter discusses and brings together the three conceptual pillars of this research: political decentralisation, the state and power. The analysis of political decentralisation uses Montecino’s definition of decentralisation and follows the discourses defined by Rodríguez-Pose and Sandall (2008) –cultural, economic and political -, which are fundamental to frame the theoretical background to decentralisation. The chapter emphasises its political aspects, how it is understood as an ongoing process and its advantages and disadvantages. Likewise, the literature related to the state is analysed in order to frame the discussion. Special attention is given to the three strategic approaches defined by Jessop (1997) about the reform of the state – denationalisation, de-statisation and internalisation – as the context in which decentralisation is being implemented. O’Neil’s (1997) arguments of the transformation of the Keynesian state into a qualitative state are also taken into account to place decentralisation in academic debate. Finally, power is analysed through Allen’s (1997) perspectives of power as a capacity, power as a medium and power as a relational effect of social interaction in order to contextualise the construction of power relations between national and subnational levels.

Chapter Three is the Methodology, which discusses the research design and methods chosen during the research as well as the positionality and ethics of the researcher. Thus, the selection of qualitative research and the instrumentalist case study approach are presented as the most suitable to meet the goals of this thesis. One of the main purposes of this research is to allow the emergence of the different perspectives of decentralisation held by the actors involved, in order to answer research questions through in depth and semi structured interviews with key actors and the review of key state documents. The instrumentalist case study of Chile serves to better understand decentralising processes when they are applied in unitary states and to link it with broader research questions and academic debates. The chapter also discusses my positionality, giving a brief account of my background in Chile both as a researcher and as a former public servant. Positionality and ethics are presented in relation to my dual roles as outsider and insider in order to use

the advantage of both roles to get quality data, but also in order to avoid bias during the collection and analysis. Finally, the chapter addresses the reasons why Tarapacá and Valparaíso regions have been selected for this research, introduces the institutions chosen and describes the methods for data collection and data analyses.

The fourth chapter is the Case Study. The goal of the chapter is to contextualise historically, socially and legally the current state of political decentralisation in Chile. In order to do this, the chapter begins with accounts of the evolution of the role of the state since the outset of the Republic. Thus the Portalian state - established in the early 19th century in response to the necessity of a new order after the independence of the country – and the conservative paternalism of the elites are crucial to understand the consolidation of the central state. Then the chapter analyses the influence of the Pinochet dictatorship (1973 – 1990) on the economic, political and social re-shaping of the country. During the dictatorship the role of the state diminished regarding its intervention in the market but increased regarding its coercive role over the population and territories; a new constitution was written and business-people became as political actors. The changes that civil society has experienced over the last 30 years are also analysed from the economic perspective – citizens have become consumers – and from the political perspective – as a left-right division is not enough to explain the new movements against centralism. The chapter also explores the current political system of the country, highlighting issues such as the legal framework, representativeness, binominal electoral system and political parties. Later on, the chapter describes the regionalisation process and the regions chosen: Tarapacá and Valparaíso. The different demographic, economic and political characteristics of them make the comparison of their responses towards decentralising measures from the central level highly interesting. Finally, the chapter describes the two decentralising reforms addressed by this research: the direct election of regional councillors - which addresses issues of representativeness and democracy - and the creation of the Division of Planning and Development within the Regional Governments, which seeks their empowerment of. As decentralisation is being implemented through legal reforms, the support of the Congress is crucial for its success, therefore, the political system and the main coalition parties should be considered in the analysis.

Chapter Five aims to answer the first research question, how decentralisation is shaped in Chile. It also aims to shed light on the entanglements in which political decentralisation, due to the multiple actors and spheres involved, is embedded. In order to do that, the chapter defines and examines the philosophical, political and technical dimensions of Chilean decentralisation, as well as the driving agent and key actors. The philosophical dimension frames the agent's understanding of reality, the political

dimension is related to decision-making and the design process of decentralising strategies, and the technical dimension is the implementation of those decisions and strategies. Thus, the chapter discusses how different understandings of the discourses, such as those defined by Rodriguez-Pose and Sandall (2008), lead to certain decisions and actions; it identifies SUBDERE¹⁹ as the driving agent of decentralisation in both the political and technical dimension. The chapter also provides an account of the main challenges faced regarding decentralisation so far – the centralist culture, the state of engagement and regional capacities –, which have as a consequence an excessive gradualism subject to the will of the government in turn in the implementation of decentralisation and its advances.

Chapter Six addresses the second research question – the scope of the reforms –, which is mainly focused on the Division of Planning and Development (DIPLAD) as the first elections of regional councillors will be held in November 2013. The chapter firstly examines the desired outcomes of both reforms: the autonomy of the Regional Council from the Intendente, currently appointed by the President, and the change of the gravitational centre within the region. The roles of the individuals in key positions are also analysed in order to illustrate how policies created and designed at the central level are received and implemented in the regions. Jones et al (2004) and Theodore and Peck (2010) are discussed in this section, as they give a sound grounding of the topic. Particularly relevant is the recognition of the participation and agency of key actors in the success and failure of a certain policy, in which the analysis goes further than that exposed so far in the literature. The chapter also identified three steps in the implementation of DIPLAD: passing decisions down, preparation of the regions and the transfer of functions. The difficulties faced by DIPLAD positioning itself within the Regional Government and in the regional scenario as the leader of the strategic and territorial planning of the region has been the main challenge so far. The chapter concludes that the reforms are good steps towards decentralisation, but have resulted so far only in the strengthening of the regions and not in their empowerment. Chilean decentralisation has not yet challenged the idea of the unitary state so embedded in its culture, as all policies and guidelines still come from Santiago and the regions show scarce capacity of decision-making.

Chapter Seven focuses on the third research question – the relationship between the central state and the regions –, which is addressed from the perspective of the Ministry of Housing and Urbanism. Firstly, the chapter analyses the formal and informal relations between the national and the regional levels, and discusses how the role of key actors can change vertical structures into cooperative spaces. The results show that although the

¹⁹ Subsecretariat of Regional Development, based in the ministry of Internal Affairs.

relationship between levels is highly vertical in legal terms, individuals are more comfortable using informal channels to create alliances to achieve their goals or raise issues to the headships. The degree of dependency of the regional level is mainly related to the will of the minister in turn, which is exacerbated when regional sectors are involved in power disputes as they look to their ministry for support. SEREMI's desire for greater autonomy is in terms of specific issues within the ministry, while keeping a strong sense of belonging to their sector: loyalties are first towards the ministry and secondly towards the region. Finally, the chapter examines the key factors to strengthen the regional institutions: empowered and proactive regional headships, along with knowledgeable and skilled teamwork.

Finally, Chapter Eight presents the conclusions of this research. It starts with the response of the research questions, followed with other findings related to the Chilean case. The issues addressed are the discussion of whether decentralisation is a process or a sequence of isolated events, contradictory aspects and actors involved, the relation between administrative and political decentralisation expressed in the tension between deconcentrated branches of the state and the regional government, and the comparison of regional response. The chapter then presents the overall conclusions, contribution of this research and further steps.

CHAPTER II

LITERATURE REVIEW

INTRODUCTION

This chapter will analyse the three concepts that are the pillars of this research: decentralisation, the state and power. As these concepts have been approached and applied differently according to the discipline and actors that use them, it is essential to delimit the framework in which this research is embedded.

Firstly, decentralisation is the main topic of this research. A large body of literature examines its meanings, approaches, applications and scopes, as it has many forms and degrees. As this thesis focuses on political-administrative decentralisation, the chapter aims to contextualise it theoretically and to emphasise its political aspects. Thus, the first section will discuss its definitions, how it is understood as an ongoing process and its advantages and disadvantages. Then the second section seeks to place political decentralisation within the global tendencies towards greater devolution.

The second pillar of this research is the state. In the third section the changes to the state will be defined and analysed. Special attention is given to changing perspectives on the state, in which the quality of its intervention is more important than its size. The current restructuration of the state will be discussed along the three lines defined by Jessop: de-statisation, internationalisation and de-nationalisation, as the context in which decentralisation is being implemented.

Finally, the third conceptual pillar of this research is power. Power will be discussed from the perspectives of: power as a capacity, associational conception of power and Foucauldian conception of power. This is fundamental to understand how relationships between the national and subnational levels are developed.

Thus, these three pillars sustain the key topic of this thesis: the empowerment of subnational levels. This entails an examination as to how decentralisation is being inserted in the ongoing reform of the state and being understood as the transference of power from upper to lower levels.

DEFINING DECENTRALISATION

Decentralisation is a wide and complex concept with many dimensions and approaches that affect many different arenas and multiple actors (Eaton, 2004); each case differs according to its origins, key elements and consequences. Its interpretation has also changed over time from the 19th century shaped by elements of modernity and updating its main goals, it also has different meanings or emphases according to the region of the

world. Therefore this section is focused on the understanding of decentralisation, in which definitions, the worldwide context, approaches and discourses will be reviewed.

Understanding decentralisation

In a broad sense and from an organisational point of view, decentralisation is the transference of authority (power) and resources (human and financial) from a central body to its branches or from a central organisation towards other organisations, which may be independent or semi-independent from the first one. In the public sector, decentralisation forms range from local governments raising their own taxes, and thus, having their own sources of economic resource, to the transfer of power over some sectors, such as education or housing - from the central level to subnational tiers of government or towards local governments independently elected by the citizenry. The difference between decentralisation towards subnational branches of the state apparatus and towards independent subnational governments is crucial, as the power relationships are totally different; in the former the relationship is more hierarchical because power is exerted through the authority and in the latter it is more balanced because the exertion of power is associational¹. Thus decentralised subnational governments may act in partnership with the central state as they are aiming at similar goals.

Decentralisation is studied and analysed by different approaches or discourses, such as the economic, cultural and political; and a substantial body of literature from western and developing countries has been produced². There are two main groups³: firstly, those who see decentralisation as a path to increasing democracy and governance, and who therefore support the empowerment of subnational governments in order to promote more horizontal relationships between and among public and private institutions, improve communications with the community, make innovative policies, and develop policies better suited to the subnational reality. Secondly, those who perceive decentralisation as a tool to achieve development; they promote the reduction of the leading role of the state, the improvement of the delivery of goods and services to the community, the privatisation of some services, and the promotion of local development. These two groups are not just focused on different aspects of the same process, but they are actually two different streams, one based on decentralisation and the other on development. For those who

¹ Different actors or institutions united in order to achieve a certain goal. Also known as 'power to'.

² See Finot, 2001a, 2001b, 2003; Ascencio, 2003; Campbell, 2003; Lira, 2003; Rodríguez-Pose and Gill, 2003; Rodríguez-Pose and Bwire, 2003; Albuquerque 2004; Boissier, 2004; Eaton, 2004; Monge, 2005; Montecinos, 2005; Pike et al, 2007; Rodríguez-Pose and Sandall, 2008; Rodríguez-Pose and Ezcurra, 2010

³ See Bardhan, 2002; Rodríguez-Pose and Gill, 2003; Rodríguez-Pose and Bwire, 2003; Monge, 2005; Rodríguez-Pose and Sagall, 2008; Rodríguez-Pose and Ezcurra, 2010

promote decentralisation itself, it is an ongoing process, it is alive, it flows and changes over time; while decentralisation is in second place for those who seek greater development, it is a set of useful measures and/or reforms that can help to achieve development. This is fundamental because decentralisation will be established from different logics. The instrumentalisation of decentralisation by supporters of development makes it weaker, because as a tool it can be abandoned when it is not useful. However, when decentralisation is the goal itself, it is the reason why reforms and policies are implemented, so commitment to decentralisation is likely to be greater and more enduring. Thus, although decentralisation appeared during the second half of the 20th Century as a reform that aimed at the improvement of public service provision, this concept has become more complex as it incorporates economic and political elements.

Decentralisation can be applied emphasising its political (authority/power) or economic (resource) aspects; while the economic approach sees decentralisation as a reform addressed to reduce the inefficiencies in resource allocation associated with centralism (Willis et al, 1999; Finot, 2001b), the political approach is related to the redistribution of power (Boisier, 2003). Therefore decentralisation - understood as a strategy in which authority and resources are transferred from the central government to subnational levels or subnational governments (Rondinelli, 1981; Campbell, 2003; Rodríguez-Pose and Bwire, 2003) – raises the question of whether decentralisation is a means or an end: is it a strategy to achieve economic development or a goal in itself?

In this research, decentralisation will be studied in its political dimension, which is understood as *a process of transferring political, fiscal and administrative power from the national level to the subnational levels of government*⁴ (Montecinos, 2005, p73). Four elements arise from it: first, decentralisation is a process not a single event; secondly, it is a process of transference of power; thirdly, the power transferred is economic, administrative and political; and fourthly, that transference is produced between central and subnational levels of the government.

Decentralisation is a process that changes over time. It flows going forward and backward according to the context, but as a spiral because it can never comes back to the same point; it evolves in line with the paradigms of the time. As a process, it is always a path, an ongoing situation, an incomplete state; it is not possible to achieve total decentralisation. Therefore decentralisation is not a single event or a sequence of events, but a dynamic process in which an event - e.g. a particular reform or policy - is followed for an adaptative period so that it does not stop, it becomes. The tension between

⁴ ‘Proceso de transferencia de poder político, fiscal y administrativo desde el nivel central a los niveles subnacionales del gobierno’.

decentralisation and recentralisation is also part of this ongoing process, like the tides of the sea it ebbs and flows. Therefore, decentralisation can be manipulated, resisted and even reversed; however, the forces behind its fluxes are ongoing and cannot be stopped, as it is responding to the society in which it is embedded.

A second key point is the distribution of power, in which the tensions in economic and political power relations become crucial. The transference of power to subnational governments is fundamental to increase decentralisation, allowing the subnational level the autonomy required to make their own decisions. In this arena, it is essential to be aware that each actor, institution and organisation has its own agenda and that they will act accordingly. The tension of these forces - when each actor presses to achieve its/his/her own goals - will depend on the power position and the skills of each one.

Thirdly, Montecinos mentions three aspects related to the transference of power: fiscal, administrative and political. To hold real power subnational governments need financial freedom at the moment to make decisions, otherwise the central government might use the budget as an excuse to interfere in subnational decisions. Fiscal decentralisation implies that the taxes paid by the citizens are directly related to the benefits that they receive (Montecinos, 2005); subnational governments may generate their own income through local taxes and they make decisions of how to spend it (Finot 2001a; Montecinos, 2005). The goal of fiscal decentralisation is to deconcentrate the fiscal expenditure and to increase the coverage of the provision of public goods (Finot 2001a; Montecinos, 2005).

The other two aspects, administrative and political involve the decentralisation of the physical administration of the central government - or deconcentration - and the empowerment of the subnational levels - or devolution - (Burns et al, 1994; Lane, 2003; Eaton, 2004). Deconcentration is the transfer of some functions, or procedures, from the national level to subnational branches of national institutions, while decision-making remains at national level. For instance, a Programme of Housing for poor people can be administered by the subnational level, but the decision of how many houses will be built in certain areas will be taken by the Ministry of Housing - at the national level. The subnational office acts only as a window that receives the people's petitions and evaluates how many of them meet the eligibility requirements for a house. Meanwhile, devolution is the transference of power and decision-making from the national level to subnational institutions. Following the previous example, under devolution the subnational level would have the power to decide how many houses and where they should be built. Although, both deconcentration and devolution are considered elements of the same process, their implementation and operation have opposing facets; while devolution is giving power and

autonomy to subnational organisation/institutions, deconcentration may be a way of exerting greater control over subnational territories by the central state. The latter allows the establishment of a net of institutions that penetrate all subnational levels, so that deconcentration may be a reinforcement of centralism – possibly making it more efficient - under the cloak of decentralisation. In both cases - deconcentration and devolution - inclusion is a crucial issue because the more voices are included in the debate, the greater the possibility that those decisions will be carried out. In the sphere of government this is called governance, a concept nowadays understood as the inclusion of new actors in decision-making processes and networks (Rodríguez-Pose and Sandall, 2008).

Governance is a process, also known as the de-statisation of governing, based more on networks than traditional hierarchies, which is more about self-organisation, inter-institutional collaboration and coordination; and it has more autonomy from the formal structures of the government (MacKinnon, 1998). Political decentralisation promotes good governance, which, in turn, increases democracy. Furthermore, political decentralisation is not shutting out the central state, but including more voices; however it is important that those voices are appropriate to the scale of the decision being taken. For instance, the European Union promotes the subsidiarity of the state, in which ‘all decisions are taken as close as possible to those directly affected’ (Johnston et al, 2000 p172). If this is done effectively, it might be possible to achieve better results. Administrative decentralisation and political decentralisation frequently appear together in the literature and in the practical application of the strategy. Political-administrative issues are found together in many cases, because administrative decentralisation may be a first step towards political decentralisation⁵.

Finally, Montecinos’ definition expresses that the transference of power comes from the national level and goes to subnational levels. At this point special consideration of the relationship between levels is needed. Is it a transfer from the central body towards an independent subnational government? Or is it from the central body to the subnational branches of the state apparatus? The question becomes crucial considering that a subnational government - if autonomous and democratically elected - is representative of its citizenry; therefore it is from a better power position to negotiate with the central state than an appointed one. In that case, subnational governments have the political power to rise and support their claims, and are in the position to negotiate concrete solutions as well. On the other hand, when the transfer is from the central body to deconcentrated branches of the same apparatus, the relationship is hierarchical; the subnational level is subordinated

⁵ Both approaches, administrative and political will be analysed further in the point 2 of this section.

to the central state. Thus, negotiations, such as the regional budget, are less controversial as the strength of those institutions depends on top-down decisions. Decentralisation may be understood as devolution, however it is not just about the empowerment of subnational levels, but also about a clear definition of each territorial level and its functions. This may become fundamental, as actors do not usually want to share or resign their power; moreover, usually the political arena is driven by power struggles. Having a clear separation of duties and functions at each level might help to avoid duplicity of functions and power struggles between levels.

Political decentralisation

Political decentralisation, also known as the Political-administrative approach or government decentralisation, is seen broadly ‘as a change in subnational institutions’ (Eaton, 2004. p219), which is a political-administrative reform of the state in order to achieve more autonomy at subnational levels and to improve the delivery of public goods and services. It allows a country to be ruled in a less hierarchical way improving governance and participatory democracy. In recent years it has been also focused on the efficiency of public services and on a more open and accountable form of government (Batterbury and Fernando, 2006).

According to Burns et al (1994), the role of local governments is to protect political liberties – i.e. supporting political diversity, contributing to political education and including the citizenry in the decision making process; Burns et al argue that besides the quality of services, local government must ‘focus on the welfare of the local polity’ in which councillors and officers have to work on ‘strategies designed to improve the quality of government’ (Burns et al, 1994, p30). To do that, the citizens have to be at the centre of empowerment strategies (Burns et al, 1994). Therefore, *political decentralisation is directly related to greater democratic governance*⁶ (Finot, 2001b, p9)

The political approach commonly takes three forms:

- Administrative decentralisation or deconcentration
- Political decentralisation or devolution
- Sociological decentralisation or empowerment of civil society⁷

⁶ ‘La descentralización política se vincula directamente con una mayor gobernancia democrática.’

⁷ Understood by Arocena as private enterprises, participating in all sectors (education, health, social security, etc.) and community, developing their own alternatives of development (Arocena, 1989)

Firstly, the Administrative approach (deconcentration) is defined as the delegation of functions from the central state to subnational branches (Finot, 2001a; Bardhan, 2002, Montecinos, 2005), by which more effective work and control of the central government over the whole country may be achieved by penetrating to all levels, while still making decisions at the central level. In Administrative decentralisation, also called territorial (Conyers, 1983; Boisier, 2003) or managerial (Burns et al, 1994), deconcentration is understood as the physical dispersion of the central government offices to lower levels. One of the most important goals of this approach is to achieve more freedom of management by the subnational institutions and for governments to increase their efficiency (Montecinos, 2005). At this stage some decisions and financial responsibilities are transferred from a central government to a lower level of a sectoral organisation, to which public servants are appointed, so the central government can keep the power of veto (Finot, 2001a). Thus those subnational institutions can make some decisions but are always inserted within the hierarchy of the central state. Therefore, deconcentration is mainly a top-down process, in which regional authorities are not elected by the citizenry, but appointed by the central government. Power is exerted – directly or indirectly - by the central government and not by subnational authorities. Despite the above, it is important to recognise that deconcentration involves a great effort by centralised states, in which the current institutionality is deployed to sublevels and spread over the territory. Therefore, deconcentration is a first step for building a network of institutions at regional and local level that will support the empowerment of the subnational levels at the political stage of decentralisation. Even if deconcentration is not an essential condition to decentralise a state it is possible to use it as a starting point for further decentralisation.

Secondly, the political approach or devolution is related to the empowerment of subnational levels and - although it does not imply the election of subnational authorities -, it seeks the transfer of decision-making to subnational levels. Devolution is the transfer of power – authority and resources (Rodríguez-Pose and Bwire, 2003) - from central government to the lower levels, where decision-making is carried out by subnational governments without the direct interference of the central government⁸. However, it does not mean that the central state disappears, but its role changes from protagonist to strategic; it ensures that subnational decisions are consistent with the national vision. Therefore, the role of the central state is to develop national policies as the framework into which all public plans and programmes have to be inserted and to facilitate their implementation. For instance, if the national policy is to improve the quality of public education, each level

⁸ Burns, et al, 1994; Willies et al, 1999; Finot, 2001a; Finot, 2001b; Bardhan, 2002; Lane, 2003a; Montecinos, 2005

would decide how and with what resources they would do it – e.g. investing in infrastructure, facilities and/or qualified personnel. There are three steps to achieve devolution: legitimacy, decentralisation of resources and decentralisation of authority (Donahue, 1997).

Devolutionary processes may imply social, cultural and political benefits (Rodríguez-Pose and Bwire, 2003) and they are not the same in every country; they can be either bottom-up or top-down processes and, also, they are not homogeneous in all regions within a country as ‘intra-national differences frequently transpire in different powers and budgetary capacity across regions’ (Rodríguez-Pose and Bwire, 2003. p18). Thus, decentralisation can be symmetric or asymmetric; the former is when all the regions within a country have the same treatment, as in France, and the latter when the regions have different degrees of autonomy, as in Spain. The discourse behind devolution (economic, political or cultural) may explain how it will be applied; however its consequences will depend on the characteristics of each country (Keating, 1998). Thus, according to the point of view adopted, the empowerment of subnational government will be used to grant more participation in the decision-making process and less interference from central government in local development.

Devolution seeks the empowerment of subnational levels, which could have been created under deconcentration, if an administrative decentralisation has been carried out as a previous step. Regional devolution can take different forms and degrees, having its greatest expression when authorities are locally elected and there is a clear differentiation of functions per level in order to avoid overlapping. Thus, public servants are not trapped within the complexities of hierarchies and subordinations between levels, as no level is superior to another (Keating, 1998). Devolution can be associated with increasing innovation in the policies and the way that they are applied and adapted to local needs (Rodríguez-Pose and Bwire, 2003). In some cases regions are looking for total autonomy and in others, just for more control over their own affairs. Political decentralisation is also associated with a greater transparency and accountability of subnational authorities (Rodríguez-Pose and Bwire, 2003). Furthermore, Enikolopov and Zhuranskaya (2007) add that politicians affiliated to strong national parties are doubly accountable; on the one hand to their party, which has a coherent national project and which will support them while they remain faithful to this project; and, on the other hand, to the people who have elected them.

Thirdly, a further step of decentralisation is the empowerment of civil society, also called the Sociological approach, in which decentralisation means that civil society, through a strong and direct participative process, shares the power of decision making. In

the words of Tocqueville *all of that that can be decided and managed at a lower level must not be done at a higher level* (Tocqueville Principle, quoted in Finot, 2001a, p33⁹). This step involves a strong commitment from citizens with their community/territory because they need to be informed and willing to take part. It also involves accountability from the authorities in all decision-making processes (Monge, 2005) and in their management, giving the public access to the data when they need it. So, devolution in decentralisation can offer civil society the opportunity to participate in decision-making on key issues in their territories (Monge, 2005) and to be responsible for their own successes and failures. A mature citizenry is required to achieve this; one that is interested in taking part, which makes an effort to be informed and who places the good of the community above their own interests, so that it is seriously involved in the reality of its community/territory (Arocena, 1989; De Mattos, 1989). Moreover, a transparent and accountable local government is also needed, one that periodically publishes information and records regarding every relevant issue in the community/territory.

The empowerment of subnational government and civil society is the main goal in the process. Directly elected subnational governments have more power to negotiate with central government, because they are legitimised by the citizenry (Eaton, 2004). The emphasis in each one of these stages will depend on the characteristics and needs of different countries; while in Europe and other developed countries the main issue is devolution, those countries with a more centralist tradition combine devolution with deconcentration. This research aims to have a further understanding of both deconcentration and devolution in order to analyse decision-making processes and power relations between levels of government.

Arocena (1989) simplifies centralisation and decentralisation as opposing models, explaining that centralisation privileges order, the general and unity; while decentralisation privileges movement, multiplicity and diversity. However, the tension between centralisation and decentralisation is far from being so simple. Arocena argues that the elites prefer a centralised system, because that is the way to hold power; nevertheless, it is important to take into account that those elites are also the people who hold the economic power and from the economic point of view they will promote a decentralised system, where the role of the state is diminished and privatisation is stimulated. Thus centralisation and decentralisation are being promoted by the same elites in different arenas. For instance, efforts towards deconcentration from the central state may be seen as steps towards greater decentralisation, however, as it has been discussed, this may mask a more

⁹ ‘todo aquello que pueda decidirse y gestionarse a un nivel inferior no debe hacerse en un nivel superior’

efficient and strong centralism. Also, regions that are fighting for more autonomy against the central state are at the same time reproducing centralising patterns within their territory.

Political-administrative decentralisation is an important condition but it is not enough to achieve the real decentralisation of the system. Without a real commitment from civil society and subnational governments, decentralisation will be only a political administrative reform without real consequences for the quality of life of the community (Arocena, 1989). Moreover, it is important to take into account that this kind of reform itself cannot modify the society in which it is applied (De Mattos, 1989), so that it is fundamental to articulate the reforms made from the centre (top-down) with the actions from the grassroots (bottom-up). It is important to analyse critically the decentralisation process as Bardhan (2002) exposes that the supporters of decentralisation are trying to diminish the power of the central state. Some radical groups do so because they see the empowerment of local communities as a new form of Marxism, and other groups because they see the state as an obstacle to the development of a free market (Bardhan, 2002).

Advantages and disadvantages of decentralisation

The advantages and disadvantages of political decentralisation have been broadly discussed in the literature, highlighting the impacts of decentralisation according to the case. Devolutionary processes are different in each country not only because of the kind of decentralised policies that have been implemented, but also because of the different capacities of these countries to implement them (Rodríguez-Pose and Bwire, 2003).

As summarised in the table 2-1¹⁰, political decentralisation may improve democracy, participation, accountability, governance and promote development. However, decentralisation may have also a negative impact increasing *caudillismo*, uneven development, the vulnerabilities of local interests to external agents, inequalities and corruption¹¹. All of these debates understand that political decentralisation is ‘first and foremost an institutional change’ (Eaton, 2004. p222).

Decentralisation offers new opportunities to improve the quality of democracy because people not only exert their right to vote but also to express themselves through participating in local affairs (Burns et al, 1994; Campbell, 2003). Moreover, Monge (2005) points out that through decentralisation, the desire to participate and the belief that ‘politics

¹⁰ Source: author

¹¹ See Arocena 1989, De Mattos 1989, Burns et al 1994, Prud’homme 1995, Finot 2001a, Finot 2001b, Bardhan 2002, Fisman and Gatti 2002, Campbell 2003, Rodríguez-Pose and Bwire 2003, Escobar 2004, Mongue 2005, Battebury and Fernando 2006, Gilbert 2006, Enikolopov and Zhuranskaya 2007, Rodríguez-Pose and Sandall 2008 and Rodríguez-Pose and Ezcurra 2010 among others.

is worthwhile' (p45) may return to the community. Therefore, political decentralisation may increase political participation (Rodríguez-Pose and Bwire, 2003), which means inclusion, a call to all: from top-down it is the opening of new spaces for dialogue; from bottom-up it is the raising of new voices (Monge, 2005). One important danger of decentralisation arises at this point: *caudillismo*, through which the tyranny of local elites over the community and local government can be exerted, transforming territory into a kind of modern feudalism (Arocena, 1989). Regarding the latter, electing politicians that belong to strong national parties can help to avoid *caudillismo* because they have to align themselves with their party to ensure their support in the next elections (Enikolopov and Zhuranskaya, 2007); so a way to deter *caudillismo* could be via the promotion of national political parties.

Table 2-1: Advantages and disadvantages of Political Decentralisation

ADVANTAGES	DISADVANTAGES
Democracy	Caudillism
Participation	Vulnerability of local interests
Accountability	Corruption
Governance	Never ending round tables or monopolised by interest groups
Development	Inequalities and uneven territorial development

Decentralisation may improve accountability, as local politicians have to respond to both a closer community, with more spaces in which to express themselves, and their parties (Enikolopov and Zhuranskaya, 2007). For instance, people that have the will to be more informed usually can know how politicians have voted or acted by going to the open assemblies or checking the government's webpages. Fisman and Gatti (2002) also support the idea that a decentralised structure brings greater accountability and transparency of government, as the community is able to oversee the actions of politicians and public servants (see also Rodríguez-Pose and Bwire, 2003; Gilbert 2006).

Political decentralisation may promote development through the formulation of innovative policies in accordance with the subnational reality (Rodríguez-Pose and Bwire, 2003). Subnational governments can develop more suitable and specific policies to apply in their territories, which are orientated to respond more efficiently to the community; and the creation of strategic policies in order to increase local/regional development. However,

this may lead to a third disadvantage of decentralisation: the further generation of uneven regional development and inequality (Finot, 2001a; Rodríguez-Pose and Ezcurra, 2010); as territories are diverse and have different potential, it is natural that some regions will develop more than others. Compensatory measures from the central state are required in order to avoid these inequalities (Arocena, 1989). Thus, decentralisation could be a double-edged tool if applied without taking some precautions, mainly in those territories that are economically backward.

Political decentralisation is strongly related to greater governance, where public and private institutions make alliances in the pursuit of shared goals. Another important disadvantage of decentralisation is the intrusion of transnational enterprises, which can endanger local interests (Prud'homme, 1995; Bardhan, 2002, Fisman and Gatti, 2002). The presence of a strong civil society (community, private actors, local institutions, NGOs, etc) participating in the decision-making processes and strong inter-institutional negotiation roundtables provide a defence against undesired external intrusions (Arocena, 1989).

At this point it is important to take into account the capacity of subnational governments. Local governments are directly related to a community, so they are in a better position than central government to know and to resolve its needs. Therefore, decentralisation might help local governments to be more efficient, responsive, functional and accountable than the central state (Fisman and Gatti 2002; Gilbert 2006). In consequence, there can be better outcomes - more just and equitable – in the quality of public goods delivery and, also, in the implementation of suitable subnational policies (Bardhan, 2002; Lane, 2003a; Gilbert, 2006). However, to achieve this, it is important that public servants and politicians at lower levels are able to handle the responsibility, so they require not only empowerment but training as well. Besides, subnational governments often have a double function: as agents of central governments and as representatives of their regions (Finot, 2001b). In countries with a centralist tradition, subnational authorities often have this double role. This places them in an awkward position, as they cannot fully fulfil either of those roles without affecting the other one. This will be a recurrent theme in this thesis, as the autonomy of subnational levels requires the separation of both roles. Subnational interests are often against the will of central government, therefore subnational agents may lose strength when they are also employees of the central state. The outcomes of decentralisation when it is applied in such an environment often make a moderate impact, because subnational levels are still strongly tied to the central state.

Finally, a great disadvantage of political decentralisation is that it might increase corruption. Neither decentralised nor centralised systems lead to corruption *per se*; however, when corruption is part of the 'normal' culture of political behaviour,

decentralised measures may aggravate it through the application of the strategy and less control from upper levels and/or of the citizenry. ‘Moreover, we find the origin of a country’s legal system to be a good instrument for the extent of government decentralization, and our results suggest that the effect of decentralization on corruption persists when decentralization is instrumented for in this way.’ (Fisman and Gatti 2002, p327). When applying decentralisation, strong hierarchical systems could lead to *caudillismo* or to strong dominant regional elites that control territory without scope for the central government to interfere, which might create inefficiencies in the delivery of public goods and clientelism (Finot, 2001b). On the other hand, if there are more actors involved, participating, demanding solutions, contributing to the decision making processes and controlling the actions of the local government, there are fewer spaces for corruption. However, this requires a mature citizenry (De Mattos, 1989).

Decentralisation has advantages and disadvantages, so the positive or negative consequences will depend on how and where it is applied. For example, economies of scale are better exploited by the central state – e.g. the construction of schools, roads and hospitals -; however, the management of them is better at subnational level (Bardhan, 2002). Therefore, mixed strategies may provide better answers than pure or dogmatic solutions.

GLOBAL TRENDS AND DISCOURSES

Strategies towards decentralisation have been increasing since the second half of the 20th century, oscillating between decentralisation and centralisation until the 1980s (Connyers, 1983, 1986). Since then, decentralisation has become more and more popular, being promoted by subnational movements, central governments and international organisations¹². Decentralisation has many supporters, among them: free-market economists, who see decentralisation as a way to reduce the power/control of the central state, which distorts the market¹³; new regionalists who see devolution as a path to achieve greater economic efficiency¹⁴; subnational movements looking for independence or more autonomy, such as in the Basque country and Scotland (Rodríguez-Pose and Sandall, 2008); and post Marxist theorists, who see decentralisation as a way to achieve a more participatory democracy and good governance (Rodríguez-Pose and Sandall, 2008).

¹² See Connyers, 1983, 1986; Arocena, 1989; Rondinelli, 1989; Bardhan, 2002; Albuquerque 2004; Rodríguez-Pose and Sandall, 2008

¹³ See Bardhan, 2002; Arocena 1989; De Mattos, 1989; Burns et al, 1994; Rodríguez-Pose and Sandall, 2008

¹⁴ Keating, 1998; Rodríguez-Pose and Bwire, 2003; Rodríguez-Pose and Ezcurra, 2010

Arocena (1989) points out that the fact that international organisations, some central governments and neoliberal supporters are promoting decentralisation is a sign that these policies do not seek to benefit the weaker parts of the system.

In 2000 the World Bank declared that 95% of world democracies have elected subnational governments and nowadays decentralisation processes are in full swing. The reason for this ‘fashion’ is associated with globalisation¹⁵, which due to the dynamism and proliferation of communication and transportation media, speeds up the exchange of ideas (internationalisation). As Harvey (1989) explains, there are two factors that favour internationalisation: temporal, in which public and private decisions are made faster; and spatial, in which those decisions spread to a wider territory. Furthermore, globalisation has diminished the leading role of the nation-state resulting from the rise of supranational organisations and the increasing relevance of the subnational level (MacKinnon, 1998; Rodríguez-Pose and Gill, 2003; Flint and Taylor, 2007). In this context, decentralisation is also a strategy that attempts to re-position the power of the state in the new arena.

Rodríguez-Pose has defined three main discourses that promote decentralisation: political, economic and cultural (Rodríguez-Pose and Sandall, 2008). The three of them have consequences in political decentralisation, though in different ways: cultural or identity discourses usually seek political and economic autonomy as there is a necessity of being recognised. Economic discourses are behind government efficiency, privatisation and local development; they are focused on the necessity of better delivery of public goods and on the opportunity for subnational territories to develop themselves. Political discourse emphasizes governance and democracy, as there is the necessity of greater participation in decision-making processes. Therefore, Political decentralisation is not just a reorganisation of the political-administrative structure of the state, but a strategy, which responds and is rooted in the interests of the actors and the needs of the people. All that means that decentralisation is a process that is both bottom-up and top-down; it has to rise from the ground as well as from the centre. Decentralisation therefore, is the result of a mixture of these three discourses.

There has been a change in the discourse supporting decentralisation over the last 30 years from a cultural perspective to a political and economic perspective (Rodríguez-Pose and Sandall, 2008; Rodríguez-Pose and Ezcurra, 2010), which is related to whom is driving the process (Rodríguez-Pose and Bwire, 2003). Initially decentralisation was mainly driven by minorities, who sought greater autonomy, reinforcing their own identities

¹⁵ See Rodríguez-Pose and Gill, 2003; Rodríguez-Pose and Sandall, 2008; Rodríguez-Pose and Ezcurra, 2010

and fighting against homogenisation and economic changes derived from globalisation. Over time, the political and economic points of view driven by neoliberal theorists and post-marxists have become stronger, allowing a shift of the paradigm and transforming decentralisation as a vehicle to achieve them (Rodríguez-Pose and Sandal 2008; Rodríguez-Pose and Ezcurra, 2010). In the following pages each of these discourses will be further explained and analysed.

Cultural discourse

This is also known as the identity discourse, which started in the 1960s with the social movements of feminism, gay rights and ethno regionalism, among others (Gallaher, 2009). Through the cultural discourse, individuals and social groups understand the world (Cumbers and MacKinnon, 2007) and define their identity, which is about belonging, shared beliefs, culture, traditions, language, worldviews and so on (Keating, 1998).

Political identities tend to be linked to territory, to a homeland (Keating, 1998). It is about recognition and participation, the desire to be included in the decision-making process. Nationalism is the territorial expression of identity (Gallaher, 2009; Mountz, 2009), in which regional nationalism is related to groups or regions which have different identities to that of the country in which they are; these groups often seek independence more than autonomy and the processes is highly bottom-up (Rodríguez-Pose and Sandall, 2008). An example of the latter is the Basque Country in Spain.

The relation between regional identities and political actions can be analysed through three elements: the cognitive, affective and instrumental (Keating, 1998). The cognitive one is when people are aware of their region and its geographical limits. The affective one is related to the way that people feel about their region, a framework of identity and solidarity within their region. And the instrumental one, is when the region is used to take collective action in order to have more social, economic and political benefits (Keating, 1998).

Political geographers see nationalism as a force which can be both centripetal or centrifugal (Mountz, 2009). On the one hand, groups can hold a territory and strengthen themselves by reinforcing their identity; on the other hand, separatist movements might end in the splitting up of the country into several nations when they contain multiple antagonistic nationalities, as was the case in Yugoslavia, for instance. Therefore, identity movements are usually forces that resist homogenisation, which may be brought about by globalisation (Rodríguez-pose and Sandall, 2008) and they emphasise the particularities of each culture. Although Mountz (2009) adds it is not certain that globalisation has

influenced the current regional movements, it is important to take into account that the creation of the modern nation-state in Europe involved a trend of centralisation and homogenisation (Fowerker et al, 2003) that was spread to their colonies and across the world. Therefore global trends can influence local and national behaviours regarding centralism and decentralism.

Nowadays, the influence of international laws to legitimise minorities'¹⁶ petitions has been crucial; in Latin America these groups have challenged governments and they have become significant political actors (Fowerker et al, 2003). Usually regions with a higher concentration of ethnic minorities tend to be less developed within a country (Mountz, 2009); therefore, nationalist movements seek to participate in the economic process to ensure that those minority groups have a share in the benefits of the economic policies of their country and to diminish the disparities in development levels across its regions. Frank (2004) adds that behind cultural backgrounds there are usually economic disparities, which encourage redistribution discourses. In those countries, rich regions prefer asymmetric decentralisation in order to keep their wealth within the region; this is the case of Santa Cruz in Bolivia, Guayas in Ecuador and Cataluña in Spain.

Besides, it is important to take into account that culture can define the kind of government and administration that a country has; highly hierarchical societies tend to have states that are more centralised, in which the focus usually is the satisfaction of people's needs. On the other hand, more diverse societies may have a tendency to decentralisation, although there is no correlation between diversity and decentralisation (Frank, 2004).

Economic discourse

This discourse is strongly related to economic efficiency, in which decentralisation addresses the inefficiencies in the allocation of resources associated with centralism¹⁷. Also, Finot (2001b) makes the point that the provision of public goods and services would be more efficient if it is territorially differentiated. Through a decentralised system it is possible to focus efforts (resources, time and energy) on the needs of a particular territory without wasting those efforts across the whole country, where people do not necessarily have the same needs.

¹⁶ Regarding to the United Nations 1992 'a minority may be defined as a group which is numerically inferior to the rest of the State's population, occupies a non-dominant position, possess distinctive national, ethnic, religious or linguistic characteristics, and seeks to ensure its survival and development as a culturally distinct population' (Foweraker et al, 2003 p167)

¹⁷ See Willis et al, 1999; Finot, 2001b; Rodríguez-Pose and Bwire, 2003; Rodríguez-Pose and Ezcurra, 2010

Decentralisation is also seen as a way to restructure the capitalist system through state reforms – such as privatisation and de-regulation -, compatible with neoliberalism and globalisation¹⁸, which promote local development. Often the implementation of decentralisation is tied more to increasing the efficiency of local government than to political issues¹⁹. Burns et al (1994) argue that for those in the right ‘the introduction of market mechanisms into public services is the ultimate form of decentralisation’ (p5). Thus, economic decentralisation is desirable in order to promote local economic development and to improve the response of the state to people’s needs.

Centralism could increase the uneven growth of regions inside a country (Finot, 2001a); therefore decentralisation might be focused on regional specialisation - i.e. taking advantage and enhancing regional activities, such as mining, forestry, tourism, etc -, capitalising on the comparative advantages of each territory. Central governments faced the economic crisis of the 1970s through generic policies, leaving aside the local context (Albuquerque, 2004), showing their incapacity to adjust solutions to local areas. Therefore, local governments and the private sector, mostly from developing countries, had to assume a more hands-on role in filling the gaps left by generic and national policies (Albuquerque, 2004). Besides, in the 1980s national economies were opened up to greater internal and external competition, and the responsibilities of the state were rolled back and substantially modified (Gilbert, 2006, p393). Since then, the perception that economic decentralisation generates better economic outcomes has grown (Rodríguez-Pose and Bwire, 2003); however, that has not been proved yet. Rodríguez-Pose and Ezcurra (2010) point out that few studies analysing the real increase in efficiency through decentralised measures have been made, and those few have had contradictory results. The consequences of decentralisation on economic development are not totally understood, as the studies are focussed mostly on individual case studies (Rodríguez-Pose and Ezcurra, 2010). Rodríguez-Pose and Bwire (2003) also explain that devolution may increase efficiency depending on the characteristics of each country, such as its size, level of income, quality and structure of its institutionality among others.

It is possible to distinguish different kinds of economic decentralisation in the literature reviewed such as fiscal decentralisation and local development (Finot, 2001a; Bardhan, 2002; Montecinos, 2005). Besides, Bardhan (2002) adds that different aspects of decentralisation are not always found together at the same time and in all cases, and it is possible to find them mixed in their application in different countries.

¹⁸ See De Mattos, 1989; Burns et al, 1994; Escobar, 2004; Rodríguez-Pose and Sandall, 2008

¹⁹ See Conyers, 1984; Oates, 1993, Rodríguez-Pose and Bwire, 2003; Rodríguez-Pose and Sandall, 2008

Fiscal decentralisation, also called fiscal federalism, means that subnational governments have the right to make decisions about their fiscal expenditure and to generate their own income through local taxes (Finot, 2001a; Montecinos 2005); it implies that the taxes paid by citizens are directly related to the benefits that they receive (Montecinos, 2005). The goal of fiscal decentralisation is to de-concentrate the fiscal expenditure and to increase the coverage of the provision of public goods (Finot, 2001a; Montecinos 2005), so that subnational governments are obliged to improve their management²⁰. Rodríguez-Pose and Ezcurra (2010) add that the results of fiscal decentralisation will depend on the level of development of each case. In less developed countries with high territorial inequalities, decentralisation can exacerbate them; and, on the other hand, in developed countries it might be neutral or even help to decrease territorial inequalities. Moreover, Enikolopov and Zhuranskaya (2007) point out that two elements are needed to ensure efficient fiscal decentralisation: a political system with strong national political parties and subnational authorities which are not subordinated to the higher levels of the government.

Local economic development is based on the territorial values of identity, diversity and flexibility of the production of a given area (Albuquerque, 2004); it is a set of local initiatives in order to improve or resolve its particular problems. The key elements of local development are the inclusion, participation, coordination and commitment of the private and public actors involved in the process, which means that the outcomes of this strategy are not only economic, but also political, because it may improve governance and democracy in the whole system. In other words, under local development strategies, local governments can work side by side with the community to achieve development in a horizontal relationship (Albuquerque, 2004). The main goal is to take advantage of the local knowledge in order to generate policies more suited to local conditions, which position subnational governments in a better place - in comparison with national state – when responding to people's needs.

Economic decentralisation can be either a bottom-up or top-down process. It allows the development of the economic potential of territories, which adapt themselves to the economic changes (Rodríguez-Pose and Bwire, 2003; Rodríguez-Pose and Sandall, 2008). According to Rodríguez-Pose and Sandall (2008) one reason to support economic decentralisation is territorial competition, as territories often compete in the global market in order to attract investment, therefore the learning process of making regions more competitive and identifying those areas that might have more dynamism in a globalised

²⁰ See Finot 2001a; Bardhan, 2002; Boisier, 2003; Rodríguez-Pose and Bwire, 2003

world is important (see also Keating, 1998). In that scenario regions cannot depend only on the central state to resolve their problems, but need to promote themselves and to establish also a nexus between the global and the local.

Advocates of economic decentralisation highlight that subnational governments can develop appropriate policies for the community's needs, innovating in the provision of public services and, therefore, ensuring they are more efficient and accountable. On the other hand, detractors, mainly from the field of fiscal decentralisation, argue that devolution does not bring more efficiency due to: lack of scale economies, overlapping of functions, corruption and soft budget constraints (Rodríguez-Pose and Bwire, 2003).

Political discourse

This is also called democratic discourse or good governance discourse, because both democracy and governance are at the core of political discourse. Governance is understood as the process of coordination and management through networks in which the public and private sector participation is encouraged, being more horizontal and inclusive. Good governance shaped the language and arguments of those agencies – e.g. the World Bank and the IMF²¹ -, which seek to influence the countries that have received their help (Rodríguez-Pose and Sandall, 2008). It involves transparency and accountability in public administration, efficient use of public resources and participation in decision-making processes (Gregory et al, 2009). Detractors argue that the adoption of western models of public administration by developing countries may lead to negative impacts; also, they expose their concern about the lack of democratic control over decision-making with the increment of private actors' participation (Gregory et al, 2009).

Political discourse has found supporters from theorists from both the right and left wings, who blame the central state for being unresponsive, the former to the market and the latter to citizens (Rodríguez-Pose and Sandall, 2008). As a consequence, the political discourse is used by international nongovernmental organisations, multilateral institutions, donor and recipient governments, etc.; it has achieved a privileged place in the field of international development (Rodríguez-Pose and Sandall, 2008). 'Arguments in favour of devolution stress the importance of participation in the policy making process and increased accountability' (Rodríguez-Pose and Bwire, 2003. p6). A closer relationship between government and citizenry can highlight local processes and improve political participation. Likewise, increasing transparency may diminish bureaucracy and improve

²¹ International Monetary Fund

the capacity of the community to oversee elected politicians, who are therefore forced to be more responsive to their electors (Rodríguez-Pose and Bwire, 2003). In this context devolution arises as a key point. Empowering subnational government and civil society allows the achievement of good governance as both subnational governments and civil society, are in a better position to negotiate with the central state.

Thus, political discourse is a way to rethink democracy (Arocena, 1989) through good governance, permitting greater dynamism and diversity of inclusion; in the words of Rodríguez-Pose and Sandall (2008) it is the transition from representative democracy to participatory democracy. Therefore, in a political discourse decentralisation seeks greater democratisation in decision-making processes and better governance.

Although these three discourses are different in their arguments and implementation, the three of them are connected to a political dimension of decentralisation. The idea behind decentralisation is to achieve greater autonomy and the capacity to make their own decisions according their own needs and realities. To do that it is necessary to have economic and political power, at least control over the budget, ideally over the regional resources and authorities democratically elected in order to avoid a relation of subordination to the central state.

STATE AND POWER

The State

Broadly, the state can be defined as the basic unit of political life, a set of institutions that have control and sovereignty over a definite territory, that has coercive power in order to protect the population that lives there and that has the capacity of law-making²². However, the state is a complex entity difficult to define (Mann, 1984; Jessop, 2007; MacKinnon and Cumbers, 2007); many theories around the state have been developed but none of them can fully explain it, all definitions seem to miss a part of it (Mann, 1984; Jessop, 2007; Gregory et al, 2009). Jessop (2007), following the thoughts of Poulantzas, exposes that the state is first of all a social relation, which means that as it is part of the society where it is embedded the relationship between the state and society is two-ways: the state may influence and be influenced by society. Therefore, as the state is transformed together with society, state theories also change over time and across space.

²² Mann, 1984; MacKinnon and Cumbers, 2007; Bevir, 2009; Gregory, et al, 2009

Conventionally the state has been seen through the Keynesian approach, in which it was responsible for the welfare of its people providing full employment and a social welfare system (MacKinnon, 2012). However, since the early 1980s a shift towards neoliberalism has evolved (MacKinnon, 2012), which promotes state policies of non-intervention over the market, privatisation and the inclusion of new actors into decision-making processes. Thus, the power of the state seemed to be eroded and its sphere of action limited so that it was moved away from a leading position. Mann (1984) explained how the analysis of the state by marxist, liberal and functional traditions reduced it to an arena in which power struggles and different interests were expressed and institutionalised; however, he considered this analysis a narrow vision of the state. Later on, a transformationalist approach was introduced, in which the idea of the state as a dynamic process in continuous transformation - according with the times and places where it is located - rather than something fixed, is emphasised (Jessop, 2007; MacKinnon and Cumbers, 2007; MacKinnon, 2012). Furthermore, Jessop (2007) explains that actually 'the state is neither a subject nor a thing (...) it changes shape and appearance with the activities it undertakes, the scales on which it operates, the political forces acting towards it, the circumstances in which it and they act, and so forth' (p3). Thereby, for instance, the changes produced in the economy have had a crucial influence over the transformation of the state over the last 30 years so that nowadays it has a more collaborative role rather than the primacy role that it held in the past.

Since the late 1970s the market has been gaining power and influence over the world to the detriment of the state. Neoliberal supporters have promoted a reduced role for the state over it arguing that 'it is the very absence of state action that produces the best conditions for the efficient allocation of productive resources and the most desirable distributions of production's rewards' (O'Neill, 1997, p290), although the last economic crises have proved this argument erroneous. The Keynesian state was therefore losing its influence through economic reforms like privatisation, liberalisation and deregulation (MacKinnon, 1998), as state interventions produce distortions in distributional outcomes (O'Neill, 1997). In this scenario the state had to rebuild itself in order to respond to the new economic era.

After the crisis of the Keynesian state, important contributions sought to understand the changes produced within the state; researchers have studied the state from different approaches such as the regulationist theory, the qualitative perspective and the strategic-relational approach, among others. The regulationist perspective is based on the idea that the state stabilises and sustains capitalist forms of development (MacKinnon and Cumbers, 2007); the qualitative approach establishes that the state has to be studied from the

perspective of its relationship with groups of interests within society, the way it intervenes and how decision-making processes take shape (O'Neill, 1997); the strategic-relational approach contributes with two main ideas: the state as a social relation and the 'hollowing-out' process of the state (Jessop, 1997; Jessop, 2007)

According to Mann (1984) the state can be analysed from two dimensions, institutional and functional; the former related to how the state looks institutionally and the latter to what the state does. From these it is possible to identify four key elements: a set of institutions and personnel, centralism in the making of political decisions, action over a delimited territory, and the monopoly of coercive power (Mann, 1984). Thus, the approach to the state can be established in a more conventional way, taking into account its size (bureaucracy, resources and so on), or from a functional point of view, which emphasises the political decision-making process and the exertion of power.

The conception of the qualitative state - developed by O'Neill (1997) - underlines three statements: the state is an entity that is engaged and interacts with other institutions; the state has a fundamental role in the creation and operation of markets, including at the international scale; and, the power of the state has not been diminished by globalisation but changed. From this point of view, O'Neill exposes the need to study the state from a different approach, one that emphasises the changes produced in it and the relations developed between the state and other groups of interest - e.g. its intervention in society matters and how the decision-making process is developed. The reorganisation of the state is partly a response to the pressures of globalisation (MacKinnon and Cumbers, 2007), which has accelerated three processes: de-statisation, internationalisation and denationalisation; these have undermined the dominance of the state (Jessop, 1997). De-statisation is the shift from government to governance, which is a movement from a prominent role of the state towards other institutions, agencies and private interests. Internationalisation is related to a greater engagement and links between national, regional and local institutions in different countries, where networks and transferences of initiatives among countries have a significant role. And denationalisation refers to the transfer of state functions to the supranational or the subnational level (Jessop, 1997). Globalisation pressured states' reorganisation into a less 'heavy' structure, in which its size (bureaucracy) is less important than the quality of its functions (MacKinnon and Cumbers, 2007; MacKinnon, 2012)

From the strategic-relational approach the state is understood as a social relation (Jessop, 2007), the state has the same structures, behaviours and practices of the society into which is embedded; society is influenced by state actions and at the same time, the state also reproduces what exists in society. The former explains decentralisation based on

internal lines of authority within society and the latter points out that decentralisation is a consequence of diversity within society (Frank, 2004). Moreover, Jessop points out that it is not possible to have an adequate theory of the state without a theory of society. He understands the state as the territorialisation of political authority and defines the state apparatus as a group of institutions and organisations, whose function is to define and enforce collective decisions on the population on behalf of the 'common interest' or 'general will' (2007). The state is embedded in a political system 'articulated with other institutional orders and linked to different forms of civil society' (Jessop, 2007. p6; see also O'Neill, 1997). The understanding of the state apparatus and uses and practices of the state personnel is also relevant. On the one hand the institutional structure is a reflection of social identity and on the other hand, the state is also composed by people who belong to society – it is a peopled organisation (Jones et al, 2004) -; thus, they are also entangled with cultural, economic and political behaviour and interests. From this point of view, the implementation of new policies or changes within the state has to be according to changes in society in order to have the support of the people who are going to implement it. According to Jones, et al (2004), state personnel have a key role implementing or resisting broader political projects; they might delay or even block proposals designed by political elites. Jones et al focused on state personnel's individual skills and their struggles within the power net of the central state. Peck and Theodore (2010) explain that policy actors are located in specific organisational and political fields. In other words, they belong to institutions that are part of a net of power relations; but also, are part of the internal structure of an organisation. Besides, actors are 'embodied members of epistemic, expert and practice communities' (p170) that often do not work alone as they count on consultants that can influence decisions. Their individual skills, backgrounds and careers also shape their thoughts and decisions. Thus, actors are complex beings that make decisions for more than one reason; they are influenced by their profession, levels of expertise, specific skills, personal or collective interests, beliefs, net of influences and so on.

A policy itself is not a 'recipe'; it will not have the same outcomes everywhere it is applied. On the contrary, there are so many variables involved that it is difficult to predict what is going to happen, as there are different actors involved and because of the characteristics of the sites where the policy is going to be implemented. Policies created and decided at the national level are transformed when passing down to the regional level, as actors interpret and implement them in different ways. Those actors are also defined by their territories, they act not only according to all the above but also taking into account the specific needs of the territories where they work and live. Also, Jones et al (2004) highlight the importance of the attitudes of state personnel in the success of certain decisions.

Having proactive and willing personnel will help to develop better outcomes when implementing policies, as they will do their best to maximise their benefits.

There are two main schools of thought: those who see the state as a singular, powerful and isolated entity, which has lost power because of the global market; and those who see the state embedded in society, interacting with other institutions, promoting governance and transforming itself by adapting to the time and arena. O'Neill (1997) argues that the idealisation of the Keynesian Welfare state has had a great impact and has been used to compare subsequent state roles. It is commonly believed that the power of the state has been eroded over the past two decades because of the nature of capitalist accumulation, which he signals as inadequate. O'Neill emphasises that the shift in the role of the state does not erode its power but changes its relationship with other actors and institutions. For instance, in Europe, the conception of the state has experienced tension due to international integration, regional decentralisation and the advance of the market (Keating, 1998).

Free market supporters see decentralisation as a solution to the increasing conception of the state as an obstacle to the accumulation model²³. Moreover, Zunino (2002) goes further declaring that many researchers are arguing that the power sphere is moving to local and global scales so that the national state as a significant political and economic actor might disappear. This erosion of the power of the state is seen by hyperglobalists²⁴ as a triumph of capitalism over the nation-state (Murray, 2006). However, Goodwin et al (2005) express their concern regarding 'new regionalism' which emphasised the role of institutions and networks in detriment of the state, while explaining that it is still playing a key role in the economy. Although the central state has often proved to be inefficient in the provision of services that it has to deliver to the community (Willis et al, 1999), this is not reason enough to assume that the solution is the market, which is often not efficient either (or efficient only for some groups), as could be seen in the last economic crises – such as banks collapse or the indebtedness of countries. Both the qualitative approach and the strategic-relational approach give a different framework to understand the changes produced in the state over the last three decades. The idea of the disappearance of the state has not much support if the current economic crisis is considered, in which the state is having an active role in the attempt to revert it – e.g. the rescue of the banks in the UK. Even in more stable times, the state plays a key role in economy issues, such as economic protection inside its boundaries, the legal framework for economic activities – e.g.

²³ See De Mattos, 1989; Bardhan, 2002; Escobar, 2004; Rodríguez-Pose and Sandall, 2008

²⁴ School of globalisation which argues that 'the first truly 'global civilisation' ' (Murray, 2006. p34) has emerged

regulations of natural resources exploitation, establishment of partnerships and operation of financial institutions -, provision of public goods, income and wealth redistribution, promotion of international financial flows – e.g. FTA – and so on. Goodwin et al (2005) also explain how the state has a key role producing and articulating the institutional norms and networks of this new arena (also O'Neill 1997). Moreover, the state supplies the infrastructure that supports most of economic activities, such as roads and ports. Thus, taken into account those perspectives, one might say the state is far from disappearing from the economic and social spheres, it has adapted itself in a way that its interventions are crucial. Rephrasing O'Neill, it is not about the size or the quantity of the state actions but the quality of its intervention; its power has not been eroded but the way that it is exerted has changed.

The ongoing transformation of the state is therefore an attempt to recover its primacy role over its territory and society and decentralisation becomes a key strategy to regain its power. Decentralisation can support the recovery of power by the state in two fundamental ways: having presence in its territory and becoming a key actor while inviting other actors to participate in the decision-making processes. First of all, decentralisation allows the state to have presence at the subnational scale; it can be said that through decentralisation the state 'goes to the people' instead of the traditional Keynesian state bureaucracy that was seen as an inaccessible 'monster'. The state can be more efficient in its response towards the citizenry and thereby recover primacy in their mind; through improving its communication with them, the state recovers the power to act on their behalf. And secondly, subnational bodies of the state can influence the economy and society through strategic planning and collaborating with public and private local actors. Through coordinating such negotiations the state recovers a prominent role within the political arena. In other words, while the market supporters see the state as 'the enemy' and promote its diminishment and the erosion of its power, the state 'strikes back' with an inclusion policy, calling all the actors to participate in the negotiation round table and becoming the greater promoter of collaborative work and governance.

Finally, although the state nowadays has to make alliances and negotiate with many other actors and institutions to achieve its goals, and although there has been a loss of power in certain areas - such as trade and the regulation of financial markets -, it has gained or maintained power in other areas such as foreign policy and crime (MacKinnon and Cumbers, 2007).

Power

Power becomes fundamental to the debate due to both the ongoing reform of the state and political decentralisation. While in the former power is crucial in order to bring back the state, in the latter the focus is on power fluxes between national and subnational levels within the state. Centralised systems maintain power at the national level, while a decentralised system entails sharing power, transferring it - or part of it - to subnational levels.

In a broad context, power is 'the ability of one agent to affect the actions or attitudes of another' (Gregory, et al, 2009 p575). Traditionally, power is understood as a fixed capacity, which is possessed by an individual, group or organisation and it is easily located (Cumbers and MacKinnon, 2010). From this perspective, power is the capacity to influence actions, decisions and/or behaviour in order to achieve certain outcomes (Allen, 1997). Allen (2003) identifies two forms of power within the conventional perspective: instrumental or 'power over' and associational or 'power to'. The former is understood as something that can be held or possessed over others and used to obtain leverage, which entails a negative idea of dominance and, therefore, winners and losers - one group at the expense of another. The latter - the associational form - is related to the idea of collaborative action in order to achieve common aims, so everyone taking part may benefit.

Sharp et al (2000) analyse power emphasising the struggles of domination and resistance. On the one hand, power is an attempt to dominate, control and/or to repress others, which can be exerted by governments and economic interests among others. And, on the other hand, power is the attempt to resist that domination through social organisations, political actions and even direct confrontation. Thus, power means 'to be able' - to be able to act or to resist an action. Participation in decision-making processes also involves accountability, in which 'to be able' means that individuals, groups and governments should be accountable to themselves and/or electors for the way they exert the power that was given to them.

The associational conception of power - power to or power as a medium - is based on the production of power. Power is not possessed by a ruling class, it is not inherent to certain groups or institutions, but generated through networks. Individuals or institutions make alliances in order to achieve certain goals, which can be short-term or long-term depending on the goal. Power, in this context is a fluid medium - where there are no winners or losers -, which can expand or contract according to the agreements among institutions (Allen, 1997). This is a more positive or softer conception of power, which is

broadly used by local and regional development studies (Cumbers and MacKinnon, 2010). The heart of this conception is that people or institutions that share some goals come together in order to develop collective projects (Cumbers and MacKinnon, 2010) and therefore the capacity to mobilise resources in order to achieve certain outcomes (Allen, 1997); thus networking becomes crucial. This form of power is also related to the ongoing restructuration of the state, specifically, to the shift from government to governance, which integrates new and different actors to decision-making processes. Although 'power to' is seen from a conventional perspective by Allen, it also can be analysed as part of the post-structuralist approach, taking into account that it is not fixed or clearly located but it changes/moves according to particular circumstances.

The Foucauldian conception explains that power is not something that is held over others, or that operates in a unidimensional way; power has a direction - an intention - but nobody knows exactly who is behind that power and it is exerted everywhere. For instance authorities exert power but they are not the 'owners' of this power, therefore, it is not something that can be won or lost. Foucault also argues that power is a diffuse and unlocatable force, which permeates all levels of society in a way that individuals are in both positions, exerting power but also being subject to it (Foucault, 1972a, Katz, 2009).

Furthermore, Allen (2003) explains that the conventional understanding of power – power as a capacity - does not take into account two key elements: the different modalities of exercising power – domination, authority, seduction, manipulation, coercion and so on – and its spatial dimension; power is inherently spatial and also spatiality is imbued with power. He argues that power has not been studied from the way it is exerted and that geographical spaces are not homogeneous; thus social relations – and, therefore, power relations – are developed and exercised in different ways. For instance, distance is an important issue regarding power scope; authority and coercion, he argues, have a greater impact when they are exerted close-hand. Also, he points out that there is not one kind of power exercised at the time, but a complex overlapping net of power modalities working at the same time over the space. Thus, for him, power is the result of forces' interactions in a certain place or territory. This post structuralist conception is based on Foucaudian thought, which does not see power as an end or a mean, but as several techniques and practices; power is understood as a fluid process that circulates through society (Cumbers and MacKinnon, 2010), which is not possessed but exerted. Power is exerted by people or institutions but it is not centred in them (Allen, 1997); power is a relational effect of social interaction (Allen, 2003).

Cumbers and MacKinnon (2010) point out three critical comments about post-structuralist perspectives: the value of power as a capacity, the value of historical

sedimentation, and the agency of social groups. First of all, the post-structuralist approach must not underestimate the value of the conventional perspective, because power is both a capacity and an effect (Cumbers and MacKinnon, 2010). Therefore, conventional and post-structural approaches are not in conflict; one does not invalidate the other, and they can both be used to understand the complexities of the power relations that build spaces. Second, the associational perspective tends to overvalue networks and associations in order to generate power and neglect historical processes and ‘inherited forms of attachment and belonging’ (Cumbers and MacKinnon, 2010. p253), so the understanding of power relations in a certain region must also consider historical sedimentation. And thirdly, the uneven development of regions stems from past and current struggles for power possession and its operation and reproduction in particular places, where on the one hand, there are social and political processes at work in the construction and transformation of human landscapes, and, on the other hand, there are elements or factors that seek to fix or modify that landscape through certain ideological and political discourses (Cumbers and MacKinnon, 2010). Therefore, the territory is an ongoing construction, which needs to be approached from the tension that exists between fixity and mobility. Cumbers and MacKinnon (2010) also explain that the issues of agency of social groups or interests resisting transformation (mobility) have been underplayed by the post-structural approach. More studies have to be done regarding these issues in order to understand better power relations in a territory.

These three ways of seeing power are highly related to decentralisation: power as a capacity is the heart of the centralist system. Power as a medium (networking) is the key to governance, which is one of the goals of decentralisation. And the post-structuralist conception is the key to understand how power flows among levels and institutions; firstly, because power is dynamic and quite difficult to pin down, and secondly, due to the grasp of power as the product of social interactions within a territory and among different scales. It is important to be aware of the different meanings of power in centralisation and decentralisation processes: on the surface centralisation appears to be a means of control and dominance while decentralisation would be a move towards freedom and resistance. However, life is not black and white, but in shades of grey. Foucault (1971b) explains the dangers of this conception as a prohibitive/repressive force instead of the fact that power is accepted because it is a force that produces things, discourses, thoughts and pleasure. Decentralisation means sharing power – empowerment -, which entails giving others the opportunity to exert power in decision-making processes. It is about inclusion. However, decentralisation might also be used manipulatively by particular groups of interest. Foucault also points out that access to power is only possible through the study of the

strategies, tactics and rationalities used by the social actors to control society (Zunino, 2002).

Mann (1984) explains the existence of two kinds of power exerted by the state: despotic and infrastructural; the former is related to the ability of the state's elite to act over civil society – e.g. ancient kingdoms where the elite had power over the lives of its people - and the latter is related to the power of the state to penetrate and coordinate the activities of civil society through its own infrastructure. The infrastructural power is defined as the capacity of the state to penetrate and coordinate domestic life of civil society, such as by policies for development and public works on transport infrastructure among others. He also explains how the infrastructural power of the state has increased to the point that nowadays the state penetrates almost the whole domestic life of its population, by providing or regulating schools, hospitals, police, waste disposal, pensions, etc (Mann, 1984).

Another important point regarding power is the relationship between political and economic forms of power, which are impossible to separate; behind authorities and policies generally lie economic interests. There is an increasing economic interest in decentralisation (Rodríguez-Pose and Sandall, 2008), because often decentralisation means the privatisation of services that were usually provided by the state and the promotion of local development.

The complexity of power relationships within and among levels in a territory are very important regarding decentralisation; they are inserted into a net of fluxes in which the power is exerted but not settled, passing through different groups according to the circumstances (Sharp et al, 2000). Decision-making is a key point here because the issue of who will make those decisions and also the way that they will be made depends on the degree of autonomy of each level. For example, some development plans may be made at subnational levels but have to be ratified by the central level, which means negotiation with decision makers at the upper level. In this context it is very important to take into account what kind of relationship exists between levels, strongly vertical (hierarchical) or more horizontal (transversal); the former is more related to a centralised system and the latter to a decentralised system.

CONCLUSIONS

A better understanding of decentralisation is fundamental to identify key elements that will be analysed in this research, such as the motivation for its implementation, as a means towards development or as an end itself; or the tension between deconcentration and

devolution, which are part of the same process but also may be opposite forces when the central state uses deconcentration in order to increase its presence and, therefore its control, over the territory. Decentralisation is a strategy developed within the ongoing reform of the state, specifically related to denationalisation, in which the state rebuilds itself in order to maintain a strong position in relation to the Market.

There have been two key issues identified in the literature reviewed in this chapter: the tension between deconcentration and devolution as decentralising forces, which should be analysed further; and secondly, the role of the state personnel in the implementation of public policies, which should focus on their personal values, interests and beliefs besides their abilities or positionality within a certain institution. Both elements will be explored in the results chapters of this thesis.

Among the key elements for political decentralisation are the state and power, whose role is crucial; the state as the agent who promotes and implements the changes towards decentralisation and power, which is the object that is transferred from central to subnational levels. In this regard, questions such as how decentralisation process is shaped, to what extent regional governments should be empowered and what is the relationship between regional and central government arise. These questions will be analysed in chapters V, VI and VII in relation to the Chilean case, which is introduced in Chapter IV (Case Study). Regarding the shapes that political decentralisation can take, the focus will be on the different understandings that key actors have of decentralisation and therefore, different ways in which it is implemented. The extension of the empowerment of regional governments - in other words, whether decentralisation has to lead towards federalisation or whether it can end in more autonomous subnational governments, and what are the key factors to decide which - will be analysed in relation to the dichotomy of political decentralisation as a mean or an end and therefore how public policies toward decentralisation are being applied. Finally, the relationship between central and regional government will be studied regarding power fluxes within state institutions. There still are many questions around decentralisation, such as whether the current reforms will end debilitating it or strengthening the state and in what aspects; and whether this trend towards decentralisation will continuous or reverse. All these questions will be analysed in the next chapters with the aim of making contributions to the debate and providing some insight on these issues in the specific case of Chile.

CHAPTER III

METHODOLOGY

INTRODUCTION

This chapter will discuss the research design and methods used in order to answer the research questions and meet the goals posed at the outset of this thesis. It has been divided in three sections: research design, positionality and ethics, and methods. The research design section presents the methodological approach employed, explains the research questions and addresses the steps followed in order to execute it. The second section discusses my positionality and the ethical issues entailed within the research, which are mainly related to my insider/outsider role. The third section explains the methods used for the collection and analysis of the data, introduces the actors and institutions that participated and explains the main challenges faced during the research. The section ends with reflections in order to assess critically what has been done.

RESEARCH DESIGN

Theoretical/philosophical justification

In this section the methodological framework in which the research was developed will be explained, emphasising the importance of qualitative methods in order to answer the research questions posed at the outset of this thesis. In a wide sense, this research uses an unstructured methodological approach in order to allow the emergence of as many perspectives as possible of the topic; the tendency is to ask general rather than specific research questions (Bryman, 2004). This research is set in the frame of political geography and it has also been influenced by the new institutionalist perspective and by the transformationalist approach of the state (March and Olsen, 1984; Lowndes, 2002). Having this in mind and considering the research questions, the qualitative research, defined by Bryman (2004 p267) was chosen (see also Marsh and Stoker, 2002).

The pivotal concern of qualitative research is the understanding and interpretation of how the social world is represented. What becomes essential is how people represent their world rather than reality (Marsh and Stoker, 2002), in other words ‘the social world must be interpreted from the perspective of the people being studied’ (Bryman, 2004 p279). Therefore the researcher takes the place of the ‘other’ in order to obtain social knowledge. Qualitative methods are also constructionist, which means that the social world is the consequence of interactions between individuals (Bryman, 2004). What is important is the meaning of certain practices and ‘qualitative methods are good at capturing meaning, process and context’ (Marsh and Stoker, 2002 p199).

The interpretative and constructive aspects of qualitative research are the most suitable to achieve the aims of this research, which seeks to understand the decentralisation process in Chile from the perspective of the actors involved. Thus, institutions are political actors in their own right (Marsh and Olsen, 1984) and the state is seen as a social relation (Jessop, 1997). Also, triangulating the data - by interviewing different groups of respondents and by checking with written documents - makes it possible to go inside a broader reality of political decentralisation in. Therefore, by identifying motivations, actions and perceptions, it is possible to have a better grasp of the constructions of political decentralisation and its representation(s) in Chile.

Specifically, the research is focused on a case study using a constructivist paradigm, which recognises the relevance of interpretation and subjective re-creations of realities while not rejecting objectivity (Baxter and Jack, 2008). The case study approach focuses on the particularities and complexities of a single case, in which the first goal is to understand the case itself. I chose the instrumental case study as it provides insights into a broader issue (Stake, 1995), such as the top-down implementation of decentralisation in a country with centralist tradition. Although the 'real business' of case study approach is particularisation, it also allows polishing, delimiting or modifying certain generalisations (ibid). The reasons to choose this approach are related to first of all to my personal interest in Chile, not only because it is my country, but also because my research questions stemmed from my experience working for the government in Chile. Secondly, because of the singularities of the case, such as the contradiction of a decentralising process driven by the central body, the high centralism of the country – Chile is one of the most centralist countries in Latin America (Eaton, 2004) -, and the reluctance that some regional actors showed regarding the decentralising process.

Research Questions and overall design

The motivations and interests behind this thesis and also how the research project was designed will be explained in this section. Some of the questions that have driven me over the past years are related to power relations and the role of individual actors in the decision-making process and the implementation of policies at both the national and regional level. A second issue that have caught my attention within the Chilean case is the contradiction/paradox of a top-down decentralisation process, which has made me think of a tightly controlled process. Thus, I developed three research questions (see Chapter I): 1) How is political decentralisation shaped in Chile? , 2) To what extent are regional governments being empowered by the decentralisation process in Chile? , and 3) What is

the relationship between the central state and the regions regarding the political decentralisation process?

In order to answer these questions, it was necessary to explore the literature to define and shape a theoretical framework for decentralisation processes. The discussion around decentralisation and the three main discourses explained by Rodríguez-Pose were fundamental for this purpose. The contributions of Jessop and Allen about the state transformation and power relations respectively were also important. On the other hand, for an empirical perspective two Chilean reforms towards decentralisation were chosen - the creation of DIPLAD and the direct election of regional councillors. The combination of both theoretical and empirical information - literature review, analysis of public policies and laws, and in-depth conversations with key actors – contributed to answer the research questions above and to understand further decentralising processes driven in countries with unitary states.

The research was designed in four steps, based on Bryman's scheme (p269 Bryman, 2004): (1) formulation of research questions, (2) data collection, (3) data analysis, and (4) writing up of the thesis. The formulation of research questions was based on my previous experience working for the Chilean government and on my master's research, which after reading broadly on the main topics of this research I refined them to their current form. First of all, general research questions were formulated in order to delimit decentralisation and to define the relevant topics. From those questions I started the exploration of literature focused on three main topics: political decentralisation, state and power. This had two main purposes, firstly to familiarise myself with the relevant literature and secondly, to frame the research in the context of academic debate. At the same time, I also examined documents related to the Chilean state in order to have a more accurate idea of the current situation there. After this I was able to redefine the research questions to the three that are being addressed in this thesis.

The data collection includes the selection of sites and subjects and the collection of relevant data. The subjects were defined looking for the key actors in the two reforms chosen for this research, while the sites – Valparaíso and Tarapacá regions – were defined looking for regions with contrasting realities in order to compare their response towards these reforms¹. Once the sites and subjects were defined, two field trips were organised: the first one from October 2009 to February 2010 and again from November 2010 to January 2011. The reason for those two periods of data collection was the Chilean

¹ Further details in the section of Methods

presidential elections held in December 2009, which meant a change of government in March 2010. Therefore I wanted to obtain information from the actors that had worked on decentralisation issues during the 2006 – 2010 period and also from people in those positions during the next regime (2010 – 2014). Although it was possible nothing was going to change in the order of public policies, usually a change of governments means change of some key actors and I felt it was important to talk with the agents involved in Chilean decentralising policies in order to have firsthand information. At this stage I used two main sources: in-depth interviews - with academics and relevant actors - and the revision of various sorts of Chilean documents such as the constitution, laws, official guidelines and documents produced by state institutions and by regionalist movements.

The data analysis also includes interpretation of data and conceptual and theoretical work. The first step involves grouping interviewees, coding the data and relating it to the relevant literature. Initially, participants were classified by institutions, levels and positions, although later on it proved to be more useful grouping them into seven groups that combines the three of them. The coding disaggregated the interviewees's responses into topics, thus all the information was deconstructed and grouped by topics that were analysed separately. Later on, the results were reorganised in order to answer the research questions, which constitute the three results chapters of this thesis (V, VI and VII)².

POSITIONALITY AND ETHICS

Representation in regard to the status of the researcher is fundamental as he/she is the interpreter of the data collected (Marsh and Stoker, 2002); being aware of the role and the positionality of the researcher is essential to avoid bias. Cloke et al (2004) explain that research in geography is a social activity that 'takes place within a multiple and overlapping set of social relations and will be inevitably influenced by them' (p365). Therefore the researcher and participants hold their own personal values, beliefs, emotions and identities as a result of their own experiences; that background is involved in every stage of the research – from the formulation of the research questions to how the findings are presented - as they determine the choices he/she makes. Those choices can be conscious or unconscious, which means that the researcher is not always aware of them. In this section I will explain my positionality both as an outsider and an insider of the research from my perspective and also in the view of the participants. I will also explain how this could influence the research, being aware that there are other issues that I am not conscious of that may have affected it.

² Further details in the section of Methods

First of all, I was born and grew up in Santiago, the capital of Chile, which implies that my education and experiences were shaped by a centric perspective. It does not mean that my thoughts and beliefs are centralist, but that I lacked a grasp of regional matters. While studying geography, I joined a group specialised in fog water research within the Department of Geography³ with whom I worked for ten years, mainly in the north of Chile. In addition, I worked for the Regional Secretariat of Planning (SERPLAC) in O'Higgins' Region for three years after I gained my degree in Geography; I left in order to dedicate myself full time to research. Because of my work on fog, I travelled a lot to the north of Chile, which opened my eyes to the different realities within the country; I learned from local people what were the main difficulties they faced and I started to understand what the sentence 'Santiago is not Chile' truly means. The knowledge of the arid and semiarid parts of the country gave me a more complete vision of the territory and in 2002 I left the CDA in order to work for the Regional Secretariat of Housing and Urbanism (SEREMI MINVU) in Tarapacá Region, where I was in charge of the Territorial Planning Unit. In 2007 I decided it was time to go back to academia, so I came to Glasgow University in order to continue my studies. Both experiences at university and in the government allowed me to develop a wide understanding of practices within the Chilean state and knowledge of territorial planning. My early steps in academia, though in physical geography, also trained me to question everything - never taking a thing for granted – and the will to search for answers even if more questions arise, as the path of a researcher is to develop more questions because seeking those answers is the way to contribute to greater knowledge. Besides, as I have worked in different regions – mainly in the Metropolitan region, VI Region, IV Region and I Region – I have a good knowledge of the diversity and regional issues within each of them.

Having this in mind, my position as a researcher was both outside and inside the research, which had advantages and disadvantages. Being Chilean allows me to understand the language and culture of Chileans; and having been a public servant helps me to understand the practices and terminology within the state. However, this also could bias my judgement regarding the people selected for interviews and the way to address the discussion. From those points of view I was an insider, I was part of the country and the topic that was being researched. On the other hand, I was not a public servant anymore, I had left the country and I was doing research for a foreign university; therefore I was also

³ Later on the research group became the CDA (Atacama Dessert Centre). I was an active member from 1993 to 2002 and after that I have worked with them sporadically.

an outsider. Moreover, some people I had already met when I worked for the Ministry of Housing (MINVU) were more willing to chat and catch up than to have a serious interview; and from my perspective I had to be aware that my previous knowledge of people should not influence my decision of whether to include or exclude them from the research.

From my personal point of view, both roles suited me well. Being an insider facilitated my access to participants, to academic work published in Spanish and state documents. As an outsider, I got some distance from the subject and could analyse it from a wider perspective. In other words, all my knowledge and expertise plus the skills and knowledge I gained in the University of Glasgow placed me in a privileged position as a researcher. From the point of view of the participants, I feel that being an insider made them feel more comfortable; they could explain themselves easily and also on occasions it seemed to me that the respondents felt it was their duty to help a compatriot. Some disadvantages stemmed from the natural mistrust of state personnel towards outsiders and the lack of value some of them attribute to academic research.

When interviewing, my role was also both as an outsider and as an insider. I was an insider because I could speak the same language – i.e. I know state personnel jargon so I can use the same terminology as them – and they could take some things for granted such as that I know how the state operates. Also, I was an outsider, someone who was doing research on a specific topic in a foreign country. The participants responded differently to my outsider/insider position. I strengthened my position as a researcher playing both roles regarding the situation. For instance, showing I was one of them so there was no need of further explanation of cultural behaviour or language and also explaining that I was acting as a ‘translator’ of their views for academia, both in Chile and the UK; therefore their contribution could help to make bridges between different worlds.

During the data analysis I faced other challenges due to my background: not to be judgemental. As I have met some of the participants, when I worked in Chile (20) and few of them are close friends (3), I was concerned that my personal knowledge of those people could affect the analysis. I had an opinion on their capacities and personal agenda so I was in a position of prejudice those interviews – positively or negatively – and make interpretations beyond what was said within the research, which I could not do with the other respondents. To avoid the possibility of doing that when I transcribed the interviews, I coded them so that it was not possible to link the respondent with his/her interview easily.

Ethics in research is very important, not only for the integrity of the research but also for the safety of the participants; ethical issues might arise at any stage of the research (Bryman, 2004). The main ethical principles are to have informed consent from the respondents before the start, to respect the privacy of participants, not to harm participants, to avoid deception and sensitivity to cultural difference (Bryman, 2004; Cloke et al, 2004). Because of the nature of this research, I completed the ethical application form of the university and I got the permission from the ethical committee to do the research. Participants were not happy to sign a permission form; most of them argued that consenting to the interview was proof enough of their willingness to participate in the research. This could be because it was an election period, so respondents were more suspicious, or perhaps it was just that Chileans are quite paranoid regarding such things.

In the case of this research, which was mainly focused on interviews with state personnel, my first step was to inform all potential participants about its characteristics and what I needed from respondents. Once I had arranged the interviews, I tried to create an alliance between them and me. Cloke et al (2004) explain how the creation of a 'research alliance' can balance the power relationship within an interview, creating a safe environment in which there is a mutual trustworthy interaction between interviewer and interviewee; thus the point of view of the respondent is more valued. Therefore the way I worked with participants was more conversational than questioning; as Cloke et al (2004) point out interviews become joint constructions. Although participants had given their consent for the interviews, I started each one by presenting myself and explaining my motivations. Politics is a very sensitive subject in Chile, as a result of the de-politicisation campaign during the dictatorship – especially within the state apparatus –; I established clearly that this research was not about political parties and their struggles for power but about the relationship between institutions and the implementation of decentralising reforms. Thus, I shifted the focus from government and elections to state and policies. Also I guaranteed confidentiality and privacy; the interviews were anonymous and everything that was said there has been only listened to by me (and one assistant - bound by the same undertaking - who helped me with the transcriptions). This way I think participants felt more relaxed because they understood I was not researching them, or the current political struggles, unless they affected the institutions and policies I was interested in.

The construction of such an alliance was not always possible; however, I believe it worked in most cases. In this regard, playing the role of an outsider/insider was also fundamental; I was an outsider that wanted to understand decentralisation in Chile but also an insider that was aware of 'taboo' topics during the election period. Also, as some of the respondents had participated in my master's research, they had experienced the seriousness

of confidentiality in academic research and had noticed no harm from taking part; so they were less suspicious. I did not offer any kind of reward for participation in the research; I think the main motivation of participants was their interest in making contributions from their positions. A great number of them – mostly from the regions - claimed that their opinions were almost never solicited when the central body made decisions, so they were happy to have a place to express themselves.

During the interviews I first approached with peripheral or broad questions in order to let the respondent develop their answers. They were building the ground for what they wanted to say and I was following their construction of thoughts, going deeper into those topics they were willing to explore. I was only giving them some guides if the conversation was deviating too far from the subject. Thus, the participants felt they were in control and were not pressured to talk about anything with which they were uncomfortable.

The conflict with my positionality arose early during the research; I have met many people when I worked for the government and some of them were close friends (actually, some of them still are close friends). I wondered if the closeness to some of the respondents could affect the research, or our personal relationship; I did not want to risk the integrity of the research nor our friendship. Therefore, I firstly identified the potential conflicts and secondly, I tried to figure out how to avoid or manage them. From the perspective of the researcher, to know some people might entail biases in selecting participants, but it could also be turned into an advantage if I used that knowledge in order to select the most suitable people – key informants - for the research. Besides, I was concerned about how acquaintances and friends that have known me in a different context might react, so for them it could be difficult to see me as a researcher and in consequence not to take the interview seriously. It is very common among public servants to think that research in academia is something beyond reality (in Chile at least), so many of them think it is a waste of time and resources. I was concerned that this might create a conflict over my identity with people who already knew me. That was not a conflict with people that did not know me before the research because for them I was a researcher. To avoid that kind of situation I used all the formal channels to contact and arrange interviews with them in order to generate an atmosphere of professionalism before and during interviews. Also, I spent more time with them during the meetings before starting the interviews because they wanted to know what had become of me since I left the Ministry. Also I was very careful not to abuse the trust I had from them.

The responses I had were positive. Those who knew/remembered me treated me more as a colleague than as an outsider; they were very willing to help me in any way

possible such as giving me additional information, documents and in some cases loaning me a desk in order to have a place to work when I had to wait for the next interview – e.g. my ex boss was extremely helpful and supportive in all these matters. Also, people who had met me before gave their personal opinions more openly without showing signs of excessive caution or distrust. Those participants that did not know me before were more cautious and reluctant to reveal their personal opinions; most of them used the ‘institutional discourse’ at the beginning of the interview, however, as the interviews progressed, they felt more comfortable and relaxed, so they were more willing to share their personal perspective of decentralisation issues. In some interviews the difference from the beginning and the end of an interview was so great that even the language changed from formal to informal.

My position as a former public servant was an advantage in order to contact potential participants, have easier access to people that usually it is very difficult to interview and to have more open conversations with those participants who knew who I was. This could be turned into a disadvantage when some interviewees were more willing to ‘gossip’ than to give an account of the issues I was asking. Although I did not encourage this, I did not discourage it either because one of my interests was to ascertain how personal relations can affect the implementation of a policy. However, when this happened I kept a neutral position, addressing the next questions on how this ‘gossip’ might affect the reforms I was studying. In general, participants that knew I had worked for the government in the past were more relaxed in the way they expressed themselves, avoiding all the obvious explanations – such as what is EDR and PRDU -; unfortunately some of them also assumed I have been updated about everything that has happened since I left the SEREMI, so they omitted some information they considered common knowledge and I had to ask for more details.

On the other hand, some respondents were cautious, as if I was still a member of the Regional Secretariat of Housing and Urbanism (SEREMI MINVU), so their answers were polite but not saying much. When that happened I had to conduct the interviews in a way that showed the interviewee I had no attachment to my previous job and by emphasising my position as an outsider researcher. Chileans are usually quite suspicious of ‘strangers’ - more inside the government and even more in election times. So some participants were very cautious, at least at the beginning of the interviews. I had to play different roles in order to get the answers I was looking for. Being Chilean was also an advantage as I could realise easily when interviewees were giving superficial or ‘institutional’ answers; thus I could change the way to make the questions in order to make the interviewee feel more comfortable to give deeper answers. On the other hand, being an

outsider – for instance in Valparaíso, where I did not have many contacts – hindered my access to key participants, so that during the first field trip I mainly established networks instead of getting interviews. That work proved to be useful for the second field trip when I had easier access to them and I could interview key actors. Another disadvantages of playing my outsider role was that in some interviews, the respondents would give me a lot of details of basic information so I had to show some knowledge of the state apparatus in order to lift the level of discussion.

METHODS

As was enunciated at the beginning of this chapter, this research is based on qualitative methods to collect and analyse the data. This entails the use of two or more sources of evidence, qualitative interviews with relevant actors and the scrutiny of documents during the data collection process and thereafter triangulation during the analysis in order to validate it (Stake, 1995; Yin, 2009). The main steps used in the data analysis included coding, interpretation, and conceptualisation.

Data collection

The collection of data was made in 5 steps: the selection of the institutions involved, the selection of the regions to be analysed, contact and selection of participants, preparation of interviews and field trip logistics. The selection of sites and institutions was aimed to have a wider spectrum of points of view from both the formal discourse of actors – expressed in official documents and declarations – and the informal perspective of agents constructing and implementing decentralisation policies.

The state institutions selected were from the central and regional body in order to cover both levels. At the central level the institutions selected were the Sub-secretariat of Regional Development (SUBDERE), which is the central body leading the decentralisation process in Chile; the Ministry of Housing and Urbanism (MINVU) and the Ministry of Planning (MIDEPLAN), with which SUBDERE negotiated the transfer of the Regional Plan for Urban Development (PRDU) and the Strategy for Regional Development (EDR) respectively. At the regional level the institutions selected were the Regional Secretariat of Housing and Urbanism (SEREMI MINVU) and the Regional Secretariat of Planning (SERPLAC) – both branches of MINVU and MIDEPLAN respectively - from where PRDU and EDR were transferred; and the Regional Government (GORE), which is the institution receiving the planning function. During my first field trip I realised the importance to contact parliamentarians who were working on decentralisation within the

Congress; this was because all the proposals made by SUBDERE (executive) have to be submitted to the Congress for their approval.

The regions chosen were Tarapacá and Valparaíso, whose attributes will be fully presented in the chapter IV Case study. The selection criteria were both practical and theoretical; from an empirical perspective I was familiar with Tarapacá Region as I worked there for several years and because my master degree used it as case study. Therefore, I had knowledge of the region and a of network of actors that might be interested in participating in the research. Then, I was looking for a region that could be a counterpart for Tarapacá, so that I could compare the response of contrasting regions. Although I did not have any previous contact with state personnel in Valparaíso Region, as I am originally from Santiago, my knowledge of that region was good enough to make me think it would be a good counterpart for Tarapacá. From a theoretical perspective the main criteria were distance, political weight and identity. While Valparaíso region is next to Metropolitana Region – where Santiago is located – Tarapacá is 1,800 kms. from the capital. The latter raise questions of core-periphery relations i.e. whether the control from Santiago is higher or equal over closer regions than peripheral regions. The 1,539,852 inhabitants of Valparaíso elect 16 seats of the Congress, while the 238,950 inhabitants of Tarapacá only choose four. This involves the problem of representation at the central level, as the presence of fewer parliamentarians from Tarapacá in Congress works against that region. Identity issues are mainly related to the historical background of both regions; Valparaíso shares the same history and culture with the centre since the 16th Century, while Tarapacá was part of Peru until the Pacific War in 1879. Feelings of belonging to the country are also important to take into account, as they are related to the cultural discourse of decentralisation.

Once the regions and institutions were identified, I contacted the personnel working in units related to decentralisation or being affected by the reforms of 2005 and 2009. I also contacted academics interested in the state from different universities in Chile so that I could have a point of view from outside of the state, although, some academics were consultants to the governments or had taken part in the workshops and seminars organised by SUBDERE. Through those that answered the email, I used the snowball sampling approach in order to reach the key actors involved in the process. Although in the contact letter I was playing the role of an outsider, that is to say, I did not mention my previous connection within the state apparatus, because of my previous experience I got a faster response and a greater number from Tarapacá Region in which most of the people remembered me.

All the written material from the Chilean state and about Chilean decentralisation used in this research was obtained from the official web pages of state institutions or was provided by the participants. Thereby I had access to legal documents, internal documents of institutions and books on the topic that were not for commercial purposes.

The second source, in-depth interviews, was chosen as the best way to get information because of both practical and methodological reasons. On the one hand, the target participants were politicians, political authorities, public servants and academics, who are usually very busy people unwilling to meet a researcher outside of their offices or after work. To organise a focus group with them would have been difficult because of their different schedules. I declined to use participant observation because public policies are constructed and implemented over the long term, which made that impractical. On the other hand, methodological reasons to use in-depth interviews were related to the research questions, which were looking for the construction of decentralisation in Chile and the relationship between the national and regional level of government. In order to do that, I was looking for different points of view with the intention of getting a free interpretation of these issues. In the words of Marsh and Stoker ‘in depth interviews allow people to tell their own story in language with which they are familiar. Where the discussion of issues flows naturally it is possible to understand the logic of an interviewee argument and the associative thinking that led them to particular conclusions’ (Marsh and Stoker, 2002 p199). Therefore, as I was looking for their own perspective of decentralisation issues, private conversations where nobody could influence their opinions were essential. In this regard, I was very aware of the importance of a safe environment to express opinions, as internal power practices – both formal and informal – might influence the answers of some respondents.

In-depth interviews were made with a broad range of participants (see table 3-1 and 3-2⁴). Following Marsh and Stoker (2002) the interviews were designed as guided conversations, considering open-ended questions and discussion of issues in a semi-structured or unstructured manner. The topics were discussed in no predetermined order and interviewees were free to extend them as long as they wanted in order to cover those topics deeply⁵. The interviews were on average one-hour and participants chose the place and time most suitable for them to ensure their comfort. Most of the interviews were held in their offices, but other places were chosen, such as restaurants and cafes; in the case of two close friends, they were made in their homes, as they felt freer to talk about these issues outside of the office and out of working time.

⁴ Source: author

⁵ See also Bryman, 2004; Cloke et al, 2004; and Flowerdew and Martin, 2005, Yin, 2009

Besides interviews I also had several informal conversations with people about the same issues, which were not recorded because were made more in terms of previous friendship and work relations than formal research, even though, guaranteeing anonymity permission was given in order to use that information. In addition, I kept in touch with the participants via email, phone and/or skype during the whole research, so that during the data analysis I could ask them to expand some comments or send additional information or material. For instance, a public servant mentioned the proposal of a certain guideline related to the decision-making process, which would not be available until it was approved by the respective ministry; that interviewee sent me the document once it came into force.

A set of issues was defined from the research questions for discussion. The interviews were designed in order to allow respondents to expand freely on those themes they were more interested in or concerned with. The topics defined (see Appendix 1) were semi-structured interviews used as the starting point for each bit of conversation; I started each interview with the same question: ‘what do you understand by decentralisation?’ Thus, according to how the interviewee addressed that question, I could go to reforms, or the relationship between the central government with the regions, etc. I also closed each interview in the same way: ‘we have covered all the topics I have on my agenda. Do you want to add something else?’ Giving the opportunity to talk freely about their concerns was an opportunity to raise new topics or to go even deeper into what have already been discussed; it also helped me to realise how much the state personnel have the need to express themselves, as many of them seem to feel that their opinions do not count.

Interviews were arranged in advance with participants when was possible. Most of them were politicians and state personnel in middle to high ranking positions who are not usually able to plan their time too many weeks in advance; as their schedule depends on weekly issues, it changes quite quickly. Despite that inconvenience 62 interviews were made. Table 3-1 shows the number of participants from each institution contacted and table 3-2 disaggregates them by regions and levels. Participants were classified in three different ways: a) by institutions - universities, regional councils, DIPLADs, SEREMIs, Ministries, SUBDERE and Parliament; b) by levels - regional (Valparaíso and Tarapacá) and national (Santiago); and c) by role - public servants, political appointees, politicians and academics. Although most of academics are not directly involved in the process, at least two of the respondents participated in several workshops regarding decentralisation organised by SUBDERE in the early 2000, which were the starting point for the current strategy for decentralisation and one of them has been a consultant for the government in several occasions. These classifications allow patterns between the participant’s perspectives to emerge. For instance, the groups that seem to have a wider understanding of

decentralisation are from universities and SUBDERE; the academics are studying different aspect of decentralisation in Chile and SUBDERE because it is the institution that leads the process. The other groups present more limited knowledge and understanding.

Table 3-1: Interviews by organisation

	CENTRAL LEVEL	VALPARAISO	TARAPACA	TOTAL
MINVU	5			5
MIDEPLAN	3			3
SUBDERE	5			5
CONGRESS	2			2
SEREMI MINVU		8	7	15
SERPLAC			5	5
GORE		7	11	18
UNIVERSITIES	4	1	4	9
TOTAL	19	16	27	62

Table 3-2: Interviews by position

	CENTRAL LEVEL	VALPARAISO	TARAPACA	TOTAL
Public Servants	9	8	14	31
Political Appointees	4	5	5	14
Politicians	2	2	4	8
Academics	4	1	4	9
TOTAL	19	16	27	62

In general, respondents were not suspicious about the research; they were quite open in the interviews, perhaps because I was open and honest about every issue that they asked, even when it was not directly related to the research. For instance, some interviewees were very curious about Scottish culture. Thus, it did not seem participants felt any threat from me; probably because confidentiality was guaranteed. As there is no dialogue - or very little - between the academia and public sector, state personnel usually do not understand and value the academic sector. Maybe because participants did not see any relation between this research and their lives, they did not feel constrained in expressing their opinions. Some of them were interested in the research and a few were quite critical of it as

well, which was well received because it gave me the opportunity to re-think about it from a different perspective.

The first field trip was made during a presidential and parliamentary election period; the elections were on the 13th of December 2009 and the second run for President was on the 17th of January 2010. This affected the mood of those contacted and the tension increased as the elections dates approached. I had to be very cautious in the way to present the research and the questions, especially with the politicians and political authorities, who were very suspicious of everything at that moment. Fortunately, as I had contacted most of them earlier during the year I did not have any big issues while doing the interviews. However, some people I had contacted postponed the meetings we had previously arranged several times, and a few were not possible to interview that year. I knew it was not the best time for the field trip, but I decided to do it anyway due to the high probability of a change in the government; the former coalition – Concertación – had been in power since 1991. I did not want to miss the opportunity to interview people from that government while being in power, because they had promoted decentralisation continuously since the early 1990s. Also, in the case of a change in the government – as actually happened – I wanted to have a solid ground from which I could analyse the potential changes to decentralising policies that the new government might introduce. Another consequence of doing research during an elections period was that the opinions of some respondents were slanted and polarised. This was for two reasons, on the one hand because they were influenced by their political preferences - i.e. those who supported the government had the tendency not to be critical while those from the opposition were extremely critical; and, on the other hand, because there were afraid of losing their jobs if the government coalition changed.

As interviews were mostly done in the respondents' offices, we were interrupted by phone calls and other issues related to work. I.e. I had arranged an interview for 9:00 am with a certain participant but when I arrived at her office, I had to wait almost an hour before she could receive me. After 15 minutes interviewing, she got a phone call summoning her to an urgent meeting; as she thought it would be a short meeting she asked me wait. I did so for two hours before the secretary informed me that she would not be able to see me that day so we re-arranged the interview for another time. This happened mainly with politicians and political appointees, increasing in frequency as the elections approached.

Data Analysis

Although I tested the interviews in Glasgow before going to my field trip, few

interviews were made as pilots once I was there. Therefore, despite having material prepared before the field trips (see annexe 1), I was continually testing the interviews and the list of topics to discuss in order to adjust them for different respondents. Besides, new topics stemmed from previous interviews and the preliminary analysis; therefore the interviews were jointly constructed with the participants. From my personal point of view, this was the most enriching experience during the field trips. This iterative approach permitted a repetitive interaction between data collection and data analysis (Bryman, 2004), to obtain the best from each interview.

The transcription of the interviews was done in Spanish, as that was the language used during the field trip, as well as a great part of the early stage of the analysis. After the transcription, it was necessary to re-group the interviews, as the classification made earlier (see table 3-1 and 3-2) proved to be too complicated and it was not suitable for a clear analysis. Therefore seven groups (see table 3-3⁶) were defined in order to isolate specific relevant actors and to group others. For instance, DIPLAD and CORE, although part of GORE were analysed separately, and MINVU and MIDEPLAN were analysed together, but separated by levels in order to get views from the central body and the regions. The same procedure was used for each of them to analyse the information systematically: coding, categorising, interpretation and production of answers to research questions.

Table 3-3: groups of interviews

GROUP	INSTITUTIONS
G1	Academia
G2	Intendente and Regional Council (CORE)
G3	Division of Planning and Development (DIPLAD)
G4	Regional Secretariat of Housing and Urbanism (SEREMI MINVU) / Regional Secretariat of Planning and Coordination (SERPLAC)
G5	Ministry of Housing and Urbanism (MINVU) / Ministry of Planning (MIDEPLAN)
G6	Sub-secretariat for Regional Development (SUBDERE)
G7	Congress

The organisation of the material was done through coding and categorisation. Coding consisted in breaking down the material in order to identify the ideas and sentences related to specific topics. Categorisation consisted in grouping those topics in a way that relationships between them could be deduced (see Bryman, 2004; Cloke et al, 2004; and Flowerdew and Martin, 2005). For instance, initially, I approached the strategic planning instruments – Strategy for Regional Development (EDR), Regional Plan for Territorial

⁶ Source: author

Order (PROT) and regional policies – separately in the interviews. However, after analysing the answers and linking them with the research questions, I realised that they could be grouped and worked altogether, as the key point was not the instrument itself but the transfer of the function and how the actors interpreted that (see table 3-4⁷). The type of research questions posed in this research needed the use of explanation building techniques (Yin, 2009); therefore deconstruction of the material collected into the topics below was the way to deal with the data.

Table 3-4: Categories from interviews' data analysis

Conceptualisation of political decentralisation
Decentralisation process in Chile
Decentralisation as a top-down process
Current reforms towards decentralisation
Coordination of SUBDERE at the central level
Implementation of DIPLAD
Positioning DIPLAD
Coordination of DIPLAD at the regional level
Strategic planning instruments: Strategy for Regional Development (EDR), Regional Plan for Territorial Order (PROT) and regional policies
Changes produced between the former (2006-2010) and the current (2010-2014) governments
Role of the Regional Council
Direct elections of regional councillors
Role of the Intendente
Relationship between SUBDERE and the Regional Government (GORE)
Relationship between ministries and their regional branches
Decision-making on regional issues
Role of the political parties in the decentralisation process

Originally, I had planned to use NVivo for the analysis of the interviews; however when I came back from the first field trip my computer crashed and I replaced it with a Mackintosh, not knowing that it was not compatible with NVivo. Therefore, I used Word for all the analysis, which was compatible with any computer.

In order to validate the data, I crossed check the information received from interviewees in different ways: within the same interview by asking about topics at different moments of the conversation, with information provided by other participants and also triangulating it with written sources. Thereby I could separate facts from perceptions, which was very important in order to have a better understanding of the forces behind

⁷ Source: Author

certain practices, such as the support of, or resistance to, decentralising policies.

The interpretation process was made by relating all the topics listed above to the theoretical framework of this research, that is to say decentralisation, state and power. At this point I also compared the responses of every group, both study areas – Valparaíso and Tarapacá - and from both levels – national and regional -, so that different perspectives of each topic emerged. From this stage new links and ideas came to light, which identified possible explanations for practices and outcomes of decentralisation policies implemented within the state structure.

The main challenge faced at this stage was my positionality as a Chilean and former public servant while selecting and interpreting data. Marsh and Stoker (2002) recommend being cautious when qualitative methods are applied because of the researcher might be caught in a net of different representations in which his/her motivations and/or preoccupations can lead to highly subjective interpretations. They also recommend paying attention to the research process as much as to the research outcomes (Marsh and Stoker, 2002); thus I was all the time very aware of my background so that all my actions and reflections were focused on the best way to avoid bias. My approach to the material was empathetic - I did not check the name of interviewee but the group he/she belonged - so I tried to understand his/her side of the story and used his/her explanations as the basis on which to build my own theoretical and empirical explanations. The way to do this was by reviewing the material several times. As I was working with 7 groups, I worked from the first to the seventh one by one and then came back to the first one again. Thereby, I had time to reflect on the data for long periods, avoiding hasty conclusions.

The results of those reflections were the reorganisation of the material into a new categorisation, more suitable for the construction of the research questions' answers. Thus, some topics were merged and others were omitted, as they were not directly related to the result chapters: the new list of topics was under broader themes and related to each of the research questions, as shown in table 3-5⁸.

Finally, the results were placed in the academic debate in a way that was possible to make bridges between practicalities and theories; they are presented in chapters IV, V, and VI of this thesis, one for each research question. This stage was also a challenge, as after being so embedded in the material I had to make a step back in order to see the bigger picture and develop the answers to my research questions having in mind the broader

⁸ Source: author

reality of decentralisation processes. For that purpose I used a simple technique of drawing diagrams of my ideas, which helped me to make sense of them.

Table 3-5: Categories according the Research Questions

RESEARCH QUESTION	CATEGORY
RQ1	Understanding of decentralisation Discourses behind decentralisation Background and current situation SUBDERE as the agent of decentralisation
RQ2	Implementation and position of DIPLADs DIPLAD and Regional Council as agents to strengthen of regional governments Transference of regional strategic planning towards regional governments Relationship between SUBDEERE and regional governments
RQ3	Relationship between Ministries and their deconcentrated regional branches Decision-making on regional issues

Methodological reflections

After doing this research some critical thoughts arose in relation to the methodology; from a theoretical perspective, the advantages and disadvantages of qualitative methods, and from an empirical perspective the steps that I could do better.

Much has been argued about the advantages and disadvantages of qualitative research (see Marsh and Stoker, 2002; Bryman, 2004; Flowerdew and Martin, 2005; and Yin 2009 among others); the main criticisms are related to replicability, validity, generalisation and bias. The emphasis put on these issues by researchers depends on whether they have been more influenced by qualitative or quantitative methods; thus researchers from quantitative background tend to be more critical than those influenced by qualitative methods (Bryman, 2005).

Usually qualitative case study research is not seen as replicable or comparable due to its focus on small groups or on a specific site; therefore there it is little basis on which to make scientific generalisations. However, the findings of a case study can be compared with others in order to establish similarities and differences and thus confirm its validity (Marsh and Stoker, 2004; Bryman, 2005; Yin 2009) and also by relating them back to theory and the research questions.

The other issue on qualitative research is bias; the risk of subjectivity occurs at every stage of the research i.e. in-depth interview requires the researcher taking part in the conversation and developing an alliance-relation with the participants in order to generate trust. Marsh and Stoker (2004) recommend 'rather than attempt to control the effects of bias in field relations, qualitative researchers prefer to acknowledge it in effects on

substantive findings’ (p206). Therefore, by being aware of the limitations of qualitative research it is possible to find ways to diminish them. On the other hand, the advantages are much more important because qualitative research allows the analysis of process rather than events and the construction of plausible explanations behind those processes (Marsh and Stoker, 2004; and Bryman, 2005), which is a great contribution to the academic debate and also to specific case studies.

I have found some steps I could have done differently in this research to make it better. However, I do not regret them because this experience has made me learn from those mistakes. As Yin (2009) points out, case studies are one of the most difficult as there is no standard methodology to follow; therefore it is a learning process in which the researchers with more experience are more accurate than those who have less. He also explains that the main trouble for a new researcher using case study is the huge amount of data they collect, which sometimes is unmanageable. In this regard, I think my main mistake was that I conducted too many interviews. I was very concerned to gather as much information as possible, so I tried to get the greatest number of interviews possible. However, quantity does not guarantee better results, that is to say, the number of interviews needed should be that which allows one to know all the points of view of a certain issue; when new interviews do not add another perspective or more information, it is time to stop. I did not realise that at the time, so in consequence, I have too many representatives of some institutions, such as SEREMI MINVU, both in Tarapacá and Valparaíso. This was not necessary, as with half of the number of interviews I would have had the same results.

Another change I would do is to interview key people – such as from Regional Government – before and after elections in order to compare their responses, which was the first intention but it was not possible to do all of them twice due to delays I could not have foreseen e.g. the strikes of public servants during the second field trip. On the other hand, the gathering of written material was adequate, mainly because that was done systematically during the whole research period – not only during field trips -, collecting information from official websites, newspapers and documents sent by participants when possible. Finally, as Marsh and Stoker (2002) point out ‘research is often messy and rarely proceeds in the neat and tidy way that researchers wish for’ (p204), so I value the experience gained in this research, as I feel better prepared for my next project.

CONCLUSIONS

This chapter has presented the methodology used for this research emphasising the importance of qualitative methods in order to answer explanatory research questions. Therefore the research was designed relying on qualitative methods, specifically in-depth interviews, and on written documents from the institutions involved in the decentralising reforms of 2005 and 2009. Showing how I developed the methodology in function of the research questions was fundamental in order to explain why I took some decisions instead of others – e.g. chose in-depth interviews instead of focus groups.

This chapter also highlights the main challenges I faced during the research and the ways I dealt with them in order to get high quality outcomes. Positionality and ethics were analysed due to the importance of my dual roles as outsider and insider, as the awareness of those roles was essential in order to avoid bias during the collection and analysis of data.

Finally, the main lesson from this process was to learn about flexibility within the research design, that is to say, pose the main tasks at each stage and then define subtasks in order to achieve the main ones, but being aware that many times things will not be as had been planned. Therefore having a backup plan or enough flexibility to change the order of the tasks was essential, specially for field trips, during which usually there is not enough time to rearrange the schedule.

CHAPTER IV

CASE STUDY

INTRODUCTION

This chapter aims to frame the Chilean decentralisation process within its historical, cultural and political context. In this brief journey through Chile, important issues related to centralism and decentralisation will be discussed, such as the evolution of the role of the state in 19th and 20th century, the influence of the Dictatorship (1973 – 1990) on politics, society and the state apparatus, the political system and the current structure of the central and regional state.

A second aim of this chapter is to introduce two reforms approved recently and the two regions that have been analysed in this research: Valparaíso and Tarapacá. These two reforms, one in 2005 and the other in 2009, are part of a decentralisation' strategy, led by SUBDERE¹ (central Agency); it is important to have in mind that these reforms are not isolated events, but part of a greater process. In this regard, understanding the Chilean context is essential to locate the current stage of Chilean decentralisation. On the other hand, the regions chosen have different characteristics regarding population, economic activities and political weight; therefore comparison may show different responses to the same reform that has been applied all across the country.

The first section is about Chile, emphasising its paternalist tradition and influence of Dictatorship over current socio-political processes and the current political system. The second section introduces the regions: Tarapacá and Valparaíso. The third section describes the state' structure at national and regional level, focusing mainly on the regional governments' structure and the two legal reforms that are being analysed.

STATE AND SOCIETY IN CHILE

Historical Context of Decentralisation: Centralism, Democracy and Dictatorship

To understand the decentralisation process in Chile it is necessary to take into account several cultural and historical issues, which defined Chilean society and institutions. First of all, Chile is culturally and politically strongly paternalist, which is also evident in its vertical institutionality and the role of the state throughout its republican history. Secondly, the debate of being unitary versus federalist is far from over, even taking into account that Chile has been a Unitary Republic since the early 19th century.

¹ Subsecretariat for Regional Development

Thirdly, Chilean politics have been framed by their recent history; the coup and subsequent dictatorship still have great influence over national issues such as the debate about the Constitution, the electoral system and decentralisation among others. And finally, Chilean civil society has experienced substantial changes over the past 30 years.

The Chilean paternalist system has been inherited from the ‘República Señorial’ (the landlord’ Republic) of 19th century, also called ‘Paternalismo Señorial’ (Landlord Paternalism), similar to a feudal system, in which landlords were the owners of land and the people living there were ‘in debt’ to them; Chilean society was traditionally rigid with behavioural patterns to maintain class differences (Bajú, 1975). Although the traditional landlord system does not exist formally anymore, the dependence relationship is still reproduced, being highly authoritarian and vertical. Leader supremacy in any of its forms – boss, owner, landlord – prevails over participation and dialogue, which are considered as second order tools (Ominami, 2011). This is relevant because the decentralisation process in Chile has been developed from a strong top-down perspective, which is consistent with its traditional paternalism.

Table 4-1: Democratic tradition of Chile

1810 - 1823	Independence period
1823 - 1831	Organisation of the Republic
1831 - 1891	Presidential Regimen
1891	Civil war
1891 - 1924	Semi-parliamentarian Republic
1925 - 1973	Presidential Republic
1973 - 1990	Coup and Dictatorship
Since 1990	Presidential Regimen

Chile often praises itself for its democratic and republican tradition, being recognised politically as one of the most stable nations in Latin America, despite the period between 1973-1990, which is the only time in all its history that the country has been under a dictatorship (see table 4-1²). This is a consequence of the establishment of the Portalian State during the first half of the

19th century through the Constitution of 1833, in which a strong centralised government was established (Mires, 2012). This conception of the state is called Portalian³ after Diego Portales, the statesman behind the organisation and inspiration of the Chilean state. His ideal was a republic whose men were truly models of virtue and patriotism and who were capable to lead citizens on the path of order and virtue (Portales, 1822). In order to do that Portales believed in strong and authoritarian centralised structures, in which the Executive power reached such importance that the figure of the President became all-embracing, patriarchal and extremely authoritarian. This has also been a characteristic of other Latin-American republics (Mires, 2012). The presidential regime prevailed in Chile during the

² Table composed by the author with data of Villalobos, 2003

³ Estado Portaliano o concepción Portaliana del Estado

19th century until the civil war of 1891 when a change to a semi-parliamentarian regime was produced. However, it did not last long and in 1925 the country went back to a presidential regime. Palma (2009) explains how during the 19th century Chile was focused on the extension, consolidation and cohesion of the national territory, taking actions of peace and war in order to fulfil these purposes. Within that context a strong central state was most suitable for the strengthening of national sovereignty (Palma, 2009; Prat i Catalá, 2009). Furthermore, both Palma and Prat i Catalá express that those actions were taken from the capital by the elite; therefore Chilean centralism was the creation of Santiaguine elites and it is rooted in the history and institutionality of the country. Palma (2009) adds that centralism has been an ongoing and accumulative process, which has been legitimised by its long duration and persistence.

Mires (2012) also explains that Portalian conceptions are still embodied in the 21st century Chilean state as the current Constitution (1980) is based on the former Constitution (1925), which was in turn based on the previous Constitution (1833); therefore Portales spirit's still influences the Chilean state apparatus. Furthermore, Cea (2001) argues that the current Constitution (1980) has led the presidential regime to its strongest expression in Chilean republican history (also Ominami, 2011). The 'hyper executive', as it is called by Mires, may be found all across Latin America, which might lead one to think that the common factor could be having been a Spanish Colony for 300 years; Spain developed a strong centralised institutional system in order to keep control over the colonies, a tradition that was followed by the new nations. In Chile the vertical and centralised institutional structure has continued since its independence, being reinforced during the Dictatorship period, in which again the goal was to keep control over the territory. Under this logic the citizenry cannot be part of the decision-making process and regional governments are just representatives of presidential power in a given territory (Ominami, 2011).

Garretón (1992, 2009) explains the changes in the role of the state over the 20th century. The traditional socio political matrix in Chile was defined by the relationship between political parties, social forces and the state; however, during the Military Dictatorship it was disarticulated: political parties and social organisations - such as unions - were prohibited and the role of the state changed. The economic role of the state diminished, for instance, as privatisation affected its entrepreneurial role. Thus, the traditional role of the state as an agent of redistribution and social integration disappeared, giving space for a new actor: the business political class. Therefore, the new socio-political matrix was defined by the relationship between the state, businessmen and workers. Despite this withdrawal of the state from the economic sphere and its subjugation to market laws - which is called the 'Chilean neoliberal experiment' - the strength of the state

increased regarding its coercive role (Garretón, 1992). Furthermore, Palma (2009) argues that the role of the state in this matter - control and power over territory and institutions – still remains without substantial changes. He declares that although the Concertación governments were preoccupied with territorial development, creating a huge number of productive programs, all of them have been top-down in design – for instance, all the Regional Strategies for Development are made under the same guidelines, deadlines and contents - giving scarce space for regional and local initiatives, which is consistent with the Chilean centralist tradition.

In response to this reality, regional discontent has been increasing and some organisations representing regions have appeared, such as the National Council for Regionalisation and Decentralisation (CONADERE) and the Corporation for the regionalisation of Chile (CORCHILE). These kinds of civil organisations, based on the regions, seek to open new space for regional participation, to obtain more autonomy and an effective decentralisation.

Since 2006 a series of demonstrations have been occurred from time to time in Chile, being ever more frequent. Mires (2012) explains that all the mobilisations occurring within the country over the last years – student movements, Calama's claims, HidroAysén's rejection and so on - can be understood because civil society has not been properly represented by political parties. Mires attributes all these movements to discomfort against the excessive centralism of the state: they do not have the classical political 'left-right wing' component and they are not pro or against the economic or social macro system, the common factor is the state. The most emblematic example of this increasing regional unrest was the uprising of Aysén in February of 2012 against the central state. Aysén is an isolated Patagonian region, where difficulties of access and long distances make the cost of living more expensive, starting with fuels. The state has been ignoring this reality for decades; during the Dictatorship it was not possible to complain and later on, when democracy returned, the coalition in power, Concertación, was able to channel demands via a net of political operators from the parties who acted as mediators between the community and the state apparatus. Thus Concertación governments were able to handle most of regional and citizenry issues. The current government, Alianza, disliked the idea of mediators so suppressed them increasing the gap between civil society and state. In February 2012, a group of representatives of different social organisations – the artisanal fishermen's association, the National Association of Public Servants (ANEF), the Worker Union (CUT), 'Patagonia United', 'Patagonia without Dams' and neighbours - established a round table in order to discuss regional needs. They defined an agenda with eleven points related to the quality of life of Aysén's inhabitants and claiming more autonomy and

participation in decision-making, which means, a recognition of the regional voice and desires. Regional branches of the state were unable to deal with Aysén's demands and the conflict exploded with demonstrations and strikes all over the region from all sectors: the roads to access the region were blocked and the region stood up against the government recalling Lope de Vega's Fuente Ovejuna⁴. It was a social movement essentially, without the formal participation of political parties, which were unable to understand that the claim was about representation and empowerment rather than subsidies and assistentialism. The voice of Aysén was so loud that the whole country heard it, thus obliging the central government to go there and struggle with difficult negotiations to obtain an agreement.

The current efforts toward decentralisation are rooted in the 1960s when serious attempts by the central state were made in order to reorganise the country politically and administratively. During the governments of Frei Montalva and Allende, ODEPLAN⁵ was the central body institution charged with developing a new political and administrative division of the country. The pivotal idea behind the reorganisation of the territory was to have a more efficient state. Then as today, the logic behind regionalisation in both forms, decentralisation and deconcentration, was a top-down process highly controlled by the central body of the state. This topic will be analysed more deeply in the section of 'Regionalisation and political-administrative division'.

After the coup, the Military government saw the importance of creating a new order within the country, to better administrate and also for better control. The regionalisation introduced by the Military government adopted most of the proposal from ODEPLAN and incorporated a strategic geopolitical dimension in relation to the defence of the country in case of war. It has been said that it was in order to protect the country from foreign enemies, but it also might have been to keep control within a country that was no longer free. The regionalisation decreed by law in 1974 continued the tradition of verticality that Chile had shown since the outset of the Republic and clearly established a relation of dependency between the regions and the central state; all decisions were made in Santiago or by single-person authorities, who were appointed by the central level. Garretón (1992) defines regionalisation in Chile as *the spatial distribution of institutions with military and administrative criteria* (p7). Thus, regionalisation under the Dictatorship increased the

⁴ Play written in 1612, based on an historical incident that took place in the village of Fuente Ovejuna in Castile in 1476. While under the command of the Order of Calatrava, a commander, Fernán Gómez de Guzmán, mistreated the villagers, who banded together and killed him. When a magistrate sent by King Ferdinand II of Aragon arrived at the village to investigate, the villagers, even under the pain of torture, responded only by saying "Fuente Ovejuna did it."

⁵ National Office of Planning

state's capacity of vertical and authoritarian control over the subnational sphere. During the first democratic government after the Dictatorship, there was the historic opportunity to change the relationship between central and subnational governments within the frame of democratisation and modernisation of the state; however, the political parties' interest in electoral expediency prevailed, leaving aside the debate on the nature and functions of subnational powers. Thus, Aylwin's government (1990-1994) and the opposition agreed to decentralise communal governments and keep regions under the rule of an appointed Intendente (Garretón, 1992). This way, the decentralisation process within democratic regimes since 1990 has been reduced to the parties' expediency instead of the openness of new spaces of dialog, democracy and devolution.

Another important issue is that Chilean politics was shaped by the Dictatorship in three ways: socio-political division, fear of the past and the promotion of a neoliberal economic system. In order to understand how deeply society has been affected by the Dictatorship, the Chilean memory has to be unravelled because it is still divided by the opposition of interpretations and perceptions of what happened. The Chilean compulsive obsession to forget the past and what is uncomfortable may be because of extreme experiences normally blocking memories (Moulian, 1997), or as Stern (2006) argues, because during the Dictatorship that ruled the country for 17 years (1973-1990) the habit of denial was developed, or it may be because the truth is too hard and too horrible to cope with it; therefore, it is easier to act as if it had not happened. In any case for Chilean society the coup and the subsequent Dictatorship are still sensitive topics that are usually avoided; however, that period re-shaped the country in many ways: politically, economically and culturally. During the Dictatorship several seeds were sown, the most important were the current Constitution, the economic model, the privatization of public services such as education and health systems, and the transformation of the Chilean society from citizenry into consumers.

Nevertheless it is not the intention of this thesis to analyse deeply the Dictatorship period in Chile, but to use it in order to give a frame for the divisions existing within Chilean society nowadays and how its legacy has shaped political decision-making in which the decentralisation process is being implemented. There are two main points that still affect decision-making in Chile from that experience: a deep division within civil society, which has percolated upwards to the political elite affecting politics, and the legal-institutional framework given by the current Constitution and the Regionalisation process.

Since the coup, in 1973, Chile has been divided between supporters and detractors of Pinochet's Dictatorship; Stern (2006) explains how the construction of Chilean memory has a crucial role regarding this, because both sides have built their own story to justify

their beliefs, a dualism that can be explained by what Stern calls heroic memory and dissident memory.

‘Many Chileans on all political sides, it turned out, had lived the ‘national’ experience of Pinochet’s Chile as a time that marked them personally and profoundly’ (Stern, 2006 p1).

On the one hand, is what Stern calls the heroic memory or memory as salvation, in which the coup and Dictatorship are seen as something necessary to save the country from the chaos in which it had sunk. For many Chileans in 1973 the country was in a deep political, economic and social crisis and Pinochet was the hero who re-established the ‘order’; thanks to him life could be normal again. Also, during the Dictatorship the citizenry was misinformed with two purposes, to justify the coup and to hide the truth. The justification was that the military had found out that Allende’s government was preparing their own coup in order to establish a communist dictatorship, which is known as ‘Plan Z’⁶. Thus the military did not want to make the coup; it was a civil war and they acted according to that, it was their duty toward the country and they would have actually preferred to stay in their barracks instead of intervening. In 1998 around 40% of Chilean population still remembered the coup as a ‘rescue mission’ (Stern, 2006). As Moulian argues, the military needed an excuse to rebuild the country on their own terms: the neoliberal economic project. For instance, it was common during the Dictatorship to hear that politicians and communists⁷ had brought chaos to the country, forcing the military to take control of it. Society was affected by the manipulation of communication media, censure and repression; as a result, people were afraid and disgusted with politics and with politicians. This way, not only were left wing ideas suppressed but also any kind of politics under the Dictatorship. The second reason for misinformation was to hide all the violations against human rights committed by the military; thus, for many years a great part of the Chilean population did not really know about or accept the brutal repression within the country.

Conversely there is the dissident memory or memory as a rupture, in which dissidents of Pinochet see the Coup as the outset of the most horrible time in Chilean history; those who were considered ‘enemies of the fatherland’ were persecuted, tortured, killed and/or exiled. The numbers are devastating, in a country with 10 million inhabitants

⁶ The existence of this Plan is still controversial in Chile as many people still believe that it existed despite a wide range of international and national researchers and organisations agreeing that it was made up by military in order to justify the Coup.

⁷ In Chilean common speech ‘communist’ was any idea or person that had even a slightly inclination towards the centre-left.

in 1973 there are 3,000 proven cases of people killed or ‘disappeared’, more than 12,000 cases of torture, 82,000 documented political arrests and more than 200,000 people went into exile (Stern, 2006).

‘Also important, was cultural shock. Many Chileans believed such violence by the state - beyond margins set by legal procedure and human decency - to be an impossibility. Fundamentally, their society was too civilized, too law abiding, too democratic. In 1973, many victims voluntarily turned themselves in when they appeared on arrest lists’ (Stern, 2006 p xxii).

Therefore, for dissidents the Coup and Dictatorship mean a huge disruption to Chilean democratic tradition; for them the Dictatorship period is synonymous with treason, repression, violence, poverty, lack of liberties and no hope. Because of the history of democratic and civil political tradition in Chile, the brutal repression after the coup was more shocking than the Coup itself for civil society, and when the truth started to come out slowly during the late 1980s and early 1990s, many people could not believe it⁸ and some still cannot; there is a strong denial within Chilean society regarding this.

Chilean history has two faces, on the one hand a Chile flourishing where everything seemed to be alright, where peace and liberty reigned; on the other hand a Chile full of fear, suffering and poverty. The continuous curfews were seen in opposite ways, for some they meant order and safety, whereas for others they were the announcement of raids.

Pinochet’s influence over national life and power did not stop in 1990 when he left power, he remained as Chief Commander of the Army Forces until 1998 when he became a lifetime senator. Thus, even after being a democracy for more than 20 years, the Dictatorship legacy is still over shadowing the political decision-making process in Chile.

From the Dictatorship three groups within Chilean society may be defined: the older generation, those that lived the Popular Unity (Unidad Popular) of President Allende, the Coup and the Dictatorship; ‘the children of the Dictatorship’, those who grew up afterwards under the Dictatorship or in exile; and ‘the children of the restored democracy’, those who grew up under the Concertación governments. Heroic and dissident memories have passed over these three generations reproducing the top-down and bottom up discourses. Thus the antagonism between Chileans has been endogenously reproduced; despite 20 years since the return to democracy, support for and rejection of the Dictatorship still divide Chileans. There are irreconcilable positions held by minorities

⁸ I have heard testimonies saying ‘I understand the Coup, I supported it, but I cannot justify what happened afterward’

from the right and the left wing, although most Chileans prefer to avoid the topic; while the 'hard right wing' still justifies what happened during the Dictatorship based on the chaos of Popular Unity, the 'hard left wing' is not able to forgive the repression suffered under the Military government. This is very important to take into account because politics in Chile has been defined by these extremes since the return to democracy in 1990.

The Alianza and the Concertación, the two main coalitions from right and left wing respectively, have been exploiting arguments such as the fear of a communist state or of a repressive neoliberal government over the past 20 years in order to manipulate public opinion in almost every election, with the aim of invalidating or weakening opponents. For instance, during the last presidential elections (2009) there was a fake picture of the right wing candidate dressed in a military uniform in order to make a link between the right wing and Pinochet; meanwhile, he was using any opportunity to highlight that he had actually voted 'No' in the 1988 Plebiscite, that is to say, against Pinochet. This has had as a consequence a deepening of the difference between extreme political ideologies and the boredom of a part of the Chilean population towards politics, who have more moderate points of view or for whom the debate has become anachronistic. Many contemporary issues are still usually related to the Popular Unity or the Dictatorship periods, distorting or poisoning political debate in Chile. For example, the rise of regional claims is seen by right wing sectors as new seeds of communism and they blame Concertación parties for instigating them. However, these claims are not aimed against a particular government, but against the high centralism of Chile. Another example was the attempt of the current government to replace the word 'dictatorship' by 'military regime' in school texts in January 2012. The whole debate around what happened in Chile arose again and after several weeks of arguments the proposal was rejected.

Over the last three decades Chilean society has experienced important changes, mainly derived from the Dictatorship's period and the neoliberal economic model. Thus, under the influence of these two elements Chilean society has become a depoliticised and market society, in which there is no interest in public affairs and identities are constructed around possessions.

The depoliticisation of Chilean society was one of the objectives of the Dictatorship (Mosovich 1997), in which over 17 years the propaganda told Chileans that politicians and politics were those responsible for the 1973's crisis. Mosovich (1997) explained that since the first democratic elections of mayors (1992) after the return to democracy, the candidates have always been defined by the elites of the political parties, putting aside the social bases. Thus the depoliticisation and demobilisation of civil society were increased and there was little interest in getting involved in political parties, which was considered

pointless; as a consequence, there was a loss of interest in representative institutions. Therefore, public affairs are not attractive, but the opposite. Chileans' interests are nowadays rooted in their close surroundings such as family and job, there is no real concern about society and the political citizen appears only through the vote (Moulian, 1997). However, this has been changing over the last few years in which it is possible to see how part of civil society is starting to find its voice again. The case of students' mobilisations is emblematic in this regard, as a claim that started from a very specific group spread all across Chilean society, obtaining the support of a great part of the country. There are also other examples such as the environmentalist movements against HidroAysén⁹ and thermoelectric stations, or regionalist movements in Magallanes, Aysén and Calama.

On the other hand is the market society, which is the result of the implementation of the neoliberal economic model. During the Dictatorship the Chilean economy was transformed into a neoliberal economic model. Most of the companies and industries that had been nationalised during Allende's government were privatised again. Some services that have been traditionally provided by the state, such as water, electricity and gas, were also privatised. This combined with the end of a free education and health system, and the disappearance of syndicates, influenced a change in work relations, which became individualised; thus, the exploitation model remained, as individuals have not enough strength to negotiate with the owners of the companies (Moulian, 1997). Of course, in any market society it is possible to see the same patterns, this is not an exclusive characteristic of Chilean society; however, it is important to be aware that traditional Chilean identity has melted and mixed with market culture. For instance, the usual Sunday walks to the park or square have been replaced by visits to shopping centres. Thus there is no time or energy for active or even contemplative life outside work, consumption was used to 'domesticate' the political citizen in order to depoliticise him/her (Moulian, 1997): citizens have become merely consumers (Ominami, 2011).

Furthermore, market society has exacerbated segregation; the privatisation of health, education and pensions has increased the gap between social classes. Although, the neoliberal economic model implemented by the Military Dictatorship brought economic prosperity for the country - which the elite use as an excuse in order to validate the hard governmental measures – it also plunged many people into poverty, increasing the gap between rich and poor (Moulian, 1997; Ominami, 2011).

⁹ HidroAysén is a controversial project, which aims to build four dams in Aysén's region in order to supply energy for elsewhere in the country.

Given its history, it is possible to see how centralism and verticality have been part of Chilean tradition since before the outset of the Republic, which was exacerbated during the Dictatorship. Its shadow still can be perceived over society, culture, politics and institutions. Chile is a long and narrow territory with multiple cultures within it; from the dry north to the rainy south, from the sea to the high mountains, the variety of ways of life of its inhabitants is sometimes dramatically different. As a consequence, the tension between subnational needs and the centre's decisions has been a key issue over the past 30 years. From the point of view of the central state, decentralisation should help to foster a more efficient performance of the state apparatus, however, recent social movements are indicative of pressures for greater autonomy.

Political system

This section explains Chile's current political system based on the distribution of the three powers of the state – executive, judicial and legislative –, the Constitution, the parliamentarian's election system and political parties.

State's power and Constitution

The Constitution defines Chile as a Unitary State¹⁰, that is to say, it recognises one political and governmental centre, in which the power structure and political organisation is one and individuals obey one authority, live under one constitutional regime and the power of the state is exerted equally over the whole territory. Thus, Chile is centralised by law; however, the Constitution allows for administrative decentralisation or deconcentration, which means territorial or functional decentralisation but not political.

Chile is a democratic republic with a presidential regime and its three powers of the state are separated and independent from each other; the Executive and Judicial Power are located in Santiago, while the Legislative is based in Valparaíso city (140 kms west of Santiago). Regarding this research the main focus will be on the Executive and Legislative power.

The Executive is monocephalous¹¹, headed by the President of the Republic, who is also the Head of the State; s/he is elected by popular vote every four years and is not allowed to serve consecutive terms¹² (i.e. one 1-4 year term). The Legislative Power is held

¹⁰ Art 3° of the Constitution

¹¹ One head.

¹² Art 24°, 25° and 26° of the Constitution

by the Congress, which is composed of two chambers: the Lower Chamber or Chamber of Deputies – with 120 members elected by popular vote every four years¹³ - and the Higher Chamber or Senate – with 38 members elected by popular vote every eight years. The number of parliamentarians per region depends on their population so that the more

Fig 4-1: Number of parliamentarians per region



populous ones have more constituencies than the others (Fig 4-1¹⁴). For instance, Tarapacá Region has 2 senators and 2 deputies, while Valparaíso Region has 4 senators and 12 deputies; their respective populations are 238,950 and 1,869,327 inhabitants, hence the representativeness is not only by region but also by population. This kind of representation in a country like Chile reinforces centralism, due to the clear tendency of population to concentrate in the Metropolitan Region and its surroundings; the regions might be better represented having equal number of parliamentarians.

The relationship between the Executive and the Legislative is defined as of cooperation and coordination because they work together with clear and separated functions. However, the current Constitution has diminished the power of the Congress, strengthening the presidential regime to the point that the Congress cannot define its own agenda (Ominami, 2011); for instance, it is the President who prioritises the processing of projects in the Congress. Although the Congress has the faculty to monitor the Government – asking the Executive for information or calling a Minister to explain her/himself – it has no power to go further: the ministers are named by the President and only she/he can ask for their resignation. For this reason, Ominami refers to the Congress and politicians as people ‘who talk’ and to the President and its Cabinet as people ‘who act’; exacerbating that the current relationship of the Legislative and the Executive power leads to the discrediting of political action and parliamentary work.

The current Constitution was approved via referendum in 1980 under the Dictatorship of General Pinochet; it has been modified several times by the subsequent democratic governments, the most important amendments occurring in 1989 and 2005. The Reform of 1989 is the most emblematic and known by wider Chilean society; it was the result of an agreement between the Military regime – in power at those times – and the

¹³ Art 47º of the Constitution

¹⁴ Base Map Source: IGM / Content Source: Author

Concertación- the coalition of opposition, which had headed the victory against the Dictatorship in the plebiscite of 1988¹⁵. At this point, it is important to take into account that the political transition towards democracy was made by a series of negotiations over many different topics such as human rights, democracy, repression, liberty and so on; these negotiations took place over the last years of the Dictatorship and the earlier years of the restored democracy, when Pinochet was still the Chief Commander of the Army Forces. The legitimisation of the Constitution was crucial for the right wing parties, after having lost the plebiscite of 1988 – when eight more years of Pinochet in power were rejected – because it was a way to validate the Military Regime. The Concertación accepted Pinochet's Constitution with the condition of several amendments to it, which were incorporated in the Reform of 1989 and were approved via plebiscite by Chilean society. There were three main purposes of this reform: the recognition of international agreements on Human Rights, the incorporation of political pluralism and the legitimisation of the Constitution by the Chilean citizenry. The transition towards democracy in Chile was finally over with the Reform of 2005; this reform limited the role of military institutions, revoked the National Council for Security – composed of the President of Republic, a few ministers and the four chiefs of the army forces -, and deepened democracy. Regarding the latter, the elimination of senators for life and appointee senators is the greater achievement because it allows the Senate to be composed only of elected members, which means greater representativeness and suggests that the Senate should truly be the voice of the people - in the next section parliamentary representation will be analysed further. Thus the 1989 and 2005 Reforms mark out the outset and the end of the Chilean transition towards democracy. In addition to these two emblematic modifications, the Reform of 2009 has a great importance regarding decentralisation because it establishes the direct election of regional councillors. However, despite these changes, the presidential and neoliberal spirit of the Constitution is still in place.

Binominal electoral system

The electoral system for parliamentarians is called binominal¹⁶ because there are two seats available per constituency. The binominal system was created with the intention of guaranteeing political stability and it favours the biggest political coalitions at the expense of the smaller political parties. The Art 109° bis of the Law 18.700 establishes that each coalition or list can present no more than two candidates per constituency, as is shown in

¹⁵ In 1989 the Concertación was composed by all the spectrum from centre to left wing

¹⁶ Art 49° of the Constitution; art 109° bis, 180° and 181° of Law 18.700

the example (see table 4-2¹⁷). Each voter votes for one candidate, the two lists with the most votes get their highest-polling candidates elected; however if the leading list receives twice the votes of the next list they get the two seats; thus, usually the seats of a constituency are split by the two largest coalitions. The example shows three possible outcomes of an election in which six candidates – A, B, C, D, E and F - from three different coalitions or lists – 1, 2 and 3 - are running for 2 seats. In the first case candidates C and A are elected because they are the two with the most votes, which would be the same in a first-past-to-post system; however, anomalies are observed in cases two and three, in which the two most voted choices do not correspond to the two candidates elected. In the second case, candidates A and B are elected, even though B is the fourth in number of votes. Finally, in the third case, candidates A and C are elected, in which again the second candidate elected is not the second most popular. In none of the cases above is a List 3 candidate elected, even when in the third case candidate E has more votes than candidate C.

Table 4-2: Number of parliamentarians per region

CASE 1	LIST	CANDIDATE	VOTES PER CANDIDATE	VOTES PER LIST	CANDIDATES ELECTED
	1	A B	20% 10%	30%	C A
	2	C D	30% 5%	35%	
	3	E F	15% 10%	25%	
CASE 2	LIST	CANDIDATE	VOTES PER CANDIDATE	VOTES PER LIST	CANDIDATES ELECTED
	1	A B	40% 10%	50%	A B
	2	C D	20% 5%	25%	
	3	E F	15% 10%	25%	
CASE 3	LIST	CANDIDATE	VOTES PER CANDIDATE	VOTES PER LIST	CANDIDATES ELECTED
	1	A B	25% 20%	45%	A C
	2	C D	18% 12%	30%	
	3	E F	22% 3%	25%	

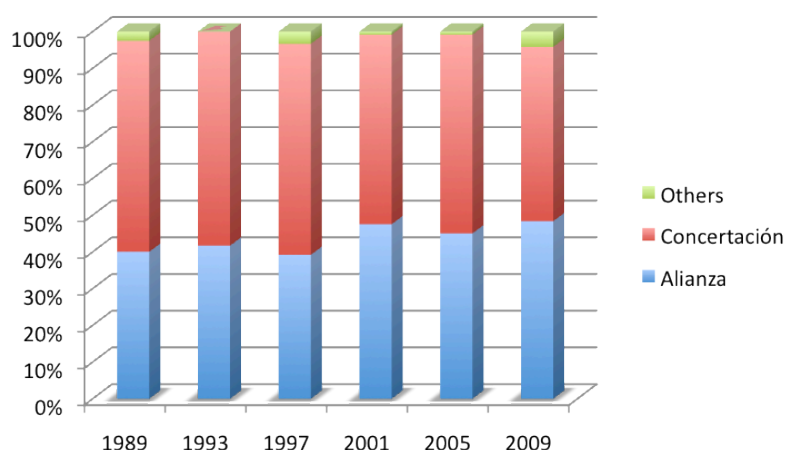
¹⁷ Source: author

Thus the electoral system privileges the biggest political coalitions taking into account firstly, the percentage of the list and secondly, the percentage gained by individual candidates. Therefore, the representativeness of the Congress could be questioned, as it might be said that the system is not truly democratic, because it does not respect the will of the voters and does not favour pluralism, but generates exclusion. Table 4-3 and figure 4-2¹⁸ show the results of the deputies' elections since the return to democracy; it is evident that the two main coalitions have the control of the Congress, so every decision is made through the negotiations between those, leaving smaller political parties or coalitions aside.

Table 4-3: Number of seats in deputies' elections 1989 - 2009

	Alianza	Concertación	Others
1989	48	69	3
1993	50	70	0
1997	47	69	4
2001	57	62	1
2005	54	65	1
2009	58	57	5

Fig 4-2: Percentage of seats in deputies' elections 1989 - 2009



In addition, one must consider that parliamentarians are not necessarily from the territory they represent. The candidacy requirement of living within the constituency is usually fulfilled by people who have a second house/property in the regions; Santiago is where they live and spend most of their time. For instance, Senator Larraín represents the XIV Region de los Ríos since 2011 after 15 years being a local councillor of Las Condes – one of the 33 communes of Santiago – where he truly lives. This is a common practice because political parties usually nominate the candidates in their headquarters in Santiago.

¹⁸ Source: author with data from SERVEL (Electoral Service)

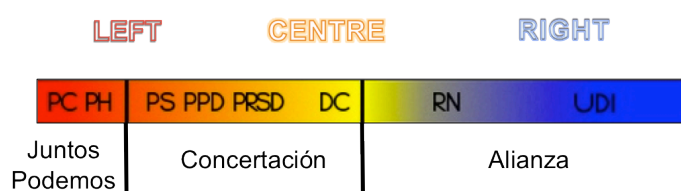
Therefore, representativeness in Legislative power is an important issue that has not been solved yet, despite the huge debate around it. Unfortunately, usually it is easier for politicians to talk about changes when they are candidates, but this tends to diminish once the seat has been won; political interests usually prevail. Thus, power struggles and negotiations between the Alianza and the Concertación have defined the path taken by Chile since the return to democracy.

The Chilean case in this regard is no different from other countries, where political struggles between parties are framed for the desire of power. Both the Alianza and the Concertación have expressed dissatisfaction on several occasions with the binominal electoral system; however, no change has been made so far. Thus, power relationships between actors are crucial to understand politics within the Congress; parties' interests – individuals as well - shape relations among actors giving ground for both coalitions behaving as a block in a self defence' act to prevent a change in the Binominal, which would transform the status quo of the past 20 years. However, it is important to take into account the great progress regarding democracy over the last 25 years, when there was no Congress at all, more so considering that less than 10 years ago the period of transition towards democracy was officially finished. Every step has been taken with caution in order to prevent further conflicts or chaos.

Political Parties

In the early 1990s Chile was divided in two main groups: pro-Pinochet (right wing) and anti Pinochet (centre-left wing), and although the Pinochet factor was gradually put aside, these two main blocks remained. Nowadays there are three coalitions: 'Alianza por Chile'¹⁹ - or just Alianza, 'Concertación de Partidos por la Democracia'²⁰ - or just Concertación - and Juntos Podemos (Fig 4-3²¹), being the latter the smallest one. During

Fig 4-3: Political parties in Chile



the last elections for deputies (2009), Alianza got 58 seats, Concertación 57 and Juntos Podemos only got three seats (Table 4-3) - thanks to its association with Concertación.

¹⁹ 'Alliance for Chile'. It is also called 'Coalition for the Change' since 2009 because it joins three small parties in order to win the elections.

²⁰ 'Union of parties for Democracy'

²¹ Source: author

Alianza is from the right wing and it is composed of Unión Democrática Independiente (UDI) and Reovación Nacional (RN)²²; currently it is the coalition in power. Concertación is from the centre-left and it is composed of Democracia Cristiana (DC), Partido Socialista (PS), Partido por la Democracia (PPD) and Partido Radical Social Demócrata (PRSD)²³. Although Concertación was in power for 20 years – between 1990 and 2010 – the economic model adopted was neoliberalism, which had been imposed through the Constitution by the Military regime in the 1980s; as a consequence many of Concertación’s detractors argue that it was not truly a centre-left wing coalition but centre-right wing. Although this may be true, the comparison of the latter government’s programmes – Bachelet from Concertación and Piñera from Alianza – reveal the different emphasis of the coalitions; while Bachelet focused on democracy, equity and unity, highlighting that the main wealth of Chile is its people, Piñera is mainly focused on state efficiency, poverty, delinquency and economic stagnation. Table 4-4²⁴ summarises the current political parties.

Table 4-4: Political Parties in Chile (2012)

	NAME OF THE POLITICAL PARTY		YEAR OF FOUNDATION
Right wing	UDI	Unión Demócrata Independiente	1983
Centre-right wing	RN	Renovación Nacional	1987
	MHC	Movimiento de Humanismo Cristiano	2009
	MNG	Movimiento Norte Grande	2008
Centre	CH1	Chile Primero	207
	PRI	Partido Regionalista Independiente	2006
	DC	Democracia Cristiana	1957
Centre-left wing	PRSD	Partido Radical Social Demócrata	1994
	PPD	Partido por la Democracia	1987
	PRO	Partido Progresista de Chile	2009
Left wing	PS	Partido Socialista	1933
	PH	Partido Humanista	1984
	PE	Partido Ecologista	2002
	PC	Partido Comunista	1912
	MAS	Movimiento Amplio Social	2008
	MIR	Movimiento de Izquierda Revolucionaria	1965

REGIONALISATION AND CASE STUDY

This section contains two main themes: the regionalisation process in Chile and a brief description of the case study regions: Tarapacá and Valparaíso.

²² Independent Democratic Union and National Renovation respectively

²³ Christian Democracy, Socialist Party, Party for Democracy and Social Democratic Radical Party respectively

²⁴ Source: author, with data from SERVEL (Electoral Service) and political parties’ webpages

Regionalisation and political-administrative division

Chilean's political-administrative division has been traditionally centralist; during the colonial period the Captaincy General of Chile was divided into *Corregimientos*²⁵ and after its independence Chile was divided into provinces and departments. It was not until 1925 that regionalisation was incorporated into the public agenda due to the need to revert the increasing centralism of the country.

There were two proposals before the current division took place. The first one was made by CORFO²⁶ in 1950 and divided Chile in six regions according to their geographic characteristics. The second proposal was made in 1965 by ODEPLAN²⁷ and divided the national territory into 11 regions plus a metropolitan area, Santiago and surroundings. This proposal was based on the theory of development poles; the aim was to promote regional centres in the belief that they would stimulate further economic development in the rest of the region. Although none of these proposals were implemented, the studies that supported them were used to design the current political-administrative division of the country, which was called Regionalisation. It is important to take into account that centralism was seen as a problem from an administrative point of view, the idea was to promote development and a more efficient state apparatus; therefore, regionalisation was promoted by the central state and designed by agencies from the central body.

During the Dictatorship, the Military government created a new agency: CONARA²⁸, which was in charge of the Regionalisation process. CONARA studied the proposals made by CORFO and ODEPLAN and designed a new political-administrative division in 1974: 12 regions plus a Metropolitan area. The main purposes of the Regionalisation were to increase national integration, to develop a national security system (geopolitical conception) and to achieve economic development.

Fig 4-4: Political-administrative division



²⁵ Spanish word for subdivisions within a certain territory during the Colonial period (16th – 19th century).

²⁶ Corporation for promoting production and trade (Corporación de Fomento a la Producción y el Comercio)

²⁷ Office of Planning and Development (Oficina de Planificación y Desarrollo)

²⁸ National Commission for Administrative Reform (Comisión Nacional de la Reforma Administrativa)

Each region was named with a Roman number – in order from north to south - and a name, except for the Metropolitan Region, which has number (XIII) but it is never used. For instance, I Region of Tarapacá, II Region of Antofagasta, etc; although lately the tendency has been to call regions by their name instead of the number, informally Chilean public servants still refer to regions as ‘the first one’, ‘the second one’ and so on, with the exception of the Metropolitan Region, which is called RM (see Fig 4-4²⁹). The number of regions cannot be eliminated because many laws refer to their numbers; therefore, eliminating them would involve change to a large part of the legal frame.

Regionalisation started in 1974 but it has not finished yet. In 2007 two more regions were incorporated as a result of the subdivision of Tarapacá Region and Los Lagos Region,

Table 4-5: Head positions per level

National	President	Elected
Regional	Intendente	Appointed
Provincial	Governor	Appointed
Communal	Mayor	Elected

so the current political-administrative division contains 15 regions. The regions are further subdivided into provinces and communes, there being nowadays 52 provinces and 345 communes in total. The heads of each level are the President, the Intendente, the Governor and

the Mayor respectively (Table 4-5³⁰); however, only the President and the Mayor are elected by popular vote; both the Intendente and the Governor are appointed by the President of the Republic and they are positions of the exclusive trust of him/her. Despite the efforts made in regard of the regionalisation, regional identities have not been developed strongly and people identify more with the city they are from rather than their region or province.

Table 4-6: Milestones of decentralisation

Military Government (right wing) 1973 - 1990	1974 Regionalisation → Chile was divided into 13 regions (now 15) 1985 Creation of SUBDERE → Agency of the central body that promotes regional development
Concertación (left wing) 1990 - 2010	1992 First elections for mayors after the Dictatorship 1993 Creation of Regional Governments 1997 Creation of Regional Council 2005 – 2009 Reorganisation of Regional Governments
Alianza (right wing) 2010 -	2013 First elections for regional councillors

²⁹ Source: IMG (Instituto Geográfico Militar / Military Geographical Institute) www.igm.cl

³⁰ Source: author

The table 4-6³¹ summarises the main milestones over the last 40 years. There are three periods: the Military government – a right wing dictatorship - that ruled the country for 17 years; the four Concertación governments³², a democratic coalition from centre-left wing that ruled the country for the following 20 years; and Alianza, the current right wing coalition that rules the country since 2010.

During the Military government there were two key events, regionalisation and the creation of SUBDERE. Regionalisation was a completely new political-administrative division of the territory and state structure, which more than an event is an ongoing process. There were some attempts in the former democratic governments to implement a new political administrative division but it was not until the military took power than the regionalisation of the country could be conducted. With the return to democracy, the debate around regionalisation started again and it has become one of the more important themes of decentralisation debates in the country. The second event, the creation of SUBDERE, Sub-secretariat of Regional Development, marked the will of the state to support the regions and that was understood as building a strategy toward further decentralisation, which has been one of the main tasks of SUBDERE since its creation.

During the second period, the Concertación governments also achieved two important changes: the decentralisation of communal governments and the creation of regional governments. Regarding the former, until 1991 they were tied to the central body and their authorities were appointed; the first democratic election of mayors took place in 1992 and in 1993 the Law of Municipalities³³ was promulgated, which established their autonomy from the central body. The second change was related to regional administration and government. In 1993 Regional Governments were created as a body that had to administer and rule the region under the direction of an Intendente, who remains appointed until now. In 1997 the Regional Councils, whose members were indirectly elected, were created. SUBDERE, as the Agency in charge of regional development, has been evaluating the Regional Governments over the past looking for ways to improve their performance and increase their autonomy. As a consequence, two major reforms toward the reorganisation of the Regional Governments were made in 2005 and 2009, which will be analysed in this research.

Finally, the Alianza government has been in power for just three years; so far it has supported SUBDERE in its task towards greater decentralisation for regions, fulfilling the

³¹ Source: author

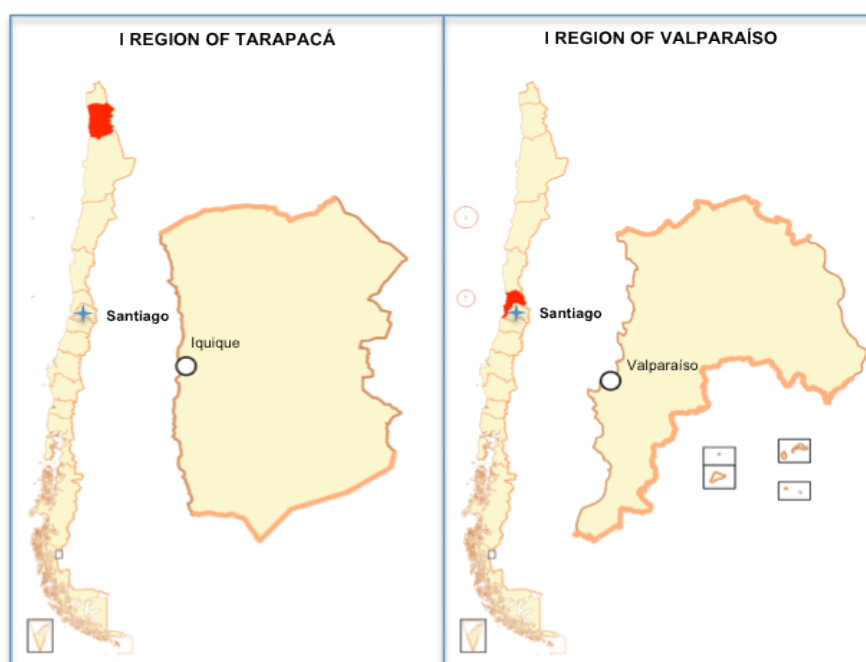
³² Aylwin (DC), Frei (DC), Lagos (PPD) and Bachelet (PS)

³³ Law 18.695

commitment that was made during the election process. Up to this moment, the main step regarding the Regional Governments has been the approval in June 2013 of the law that establishes the regulations for the popular election of the regional councillors.

Case study: Tarapacá and Valparaíso regions

Fig 4-5: Valparaíso and Tarapacá Regions



The case study is centred on the responses of two regions, I Region of Tarapacá and V Region of Valparaíso, to the last steps towards greater regional decentralisation made in 2005 and 2009. The choice of these regions was related to three aspects: distance from the national government - based in Santiago -, political weight, critical mass of population and identity. Figure 4-5³⁴ shows the location of each region in Chile and, also, their position in relation to Santiago. Tarapacá Region borders with the XV Region of Arica-Parinacota to the North, to the South with the II Region of Antofagasta, to the West with the Pacific Ocean and to the East with Bolivia. The main characteristic of this region is that it is located in the Atacama Desert, being the driest region of the country. Valparaíso Region borders with the IV Region of Coquimbo to the North, to the South with the Metropolitan Region and the VI Region of O'Higgins, to the West with the Pacific Ocean and to the East with Argentina. This region has a large variety of climates, landscapes and human activities, which makes it more complex than Tarapacá. Regarding to distance, Valparaíso

³⁴ Maps' source (fig 4-5, 4-6 and 4-7) IGM www.igm.cl

Region is next to the Metropolitan Region, where Santiago is located, while the Region of Tarapacá is in the far north of the country. The city of Valparaíso, capital of Valparaíso Region is 120 kms. from Santiago, while Iquique, capital of Tarapacá Region is 1,800 kms. from Santiago³⁵.

Fig 4-6

Mapa físico Región de Tarapacá
Physical map of the region of Tarapacá



Chile has four predominant geomorphologic areas from West to East: Coastal Plains, Coastal Mountains Range, Intermediate Depression and the Andean Mountains Range. Because of to the harsh living conditions – mainly related to the scarce water supplies – the population of Tarapacá is located predominantly on the Coastal Plains and western plateau of the Coastal Mountains in the cities of Iquique and Alto Hospicio, which together contain 90.5% of Tarapacá's inhabitants. Tarapacá has been subdivided into two province and seven comunas, of which only Iquique and Alto Hospicio have large populations while the others are mainly sparsely populated rural areas (see fig 4-6 and table 4-7).

³⁵ Santiago – Valparaiso by car is 2 hours app / Santiago – Iquique is 24 hours by car app and 3 hours by plane.

Fig 4-7

Mapa físico Región de Valparaíso
Physical map of the region of Valparaíso



The distribution of the population of Valparaíso Region (see table 4-8) is different because it has more comfortable living conditions such as abundant water, good soils for agriculture, milder weather and good road infrastructure, so the population is distributed all across the region; its larger cities, Port of Valparaíso and Viña del Mar, are located on the Coastal Plain (see fig 4-7).

Table 4-7: Demographic characteristics of Tarapacá Region

PROVINCE	COMMUNE	POPULATION	SURFACE	DENSITY (inhab/km2)
Iquique	Iquique	166,204	2,241.1	74.16
	Alto Hospicio	50,215	593.2	84.65
Tamarugal	Pozo Almonte	10,830	13,765.8	0.79
	Huara	2,599	10,474.6	0.25
	Pica	6,178	8,934.3	0.69
	Colchane	1,649	4,015.6	0.41
	Camiña	1,275	2,200.2	0.58
Total Average		238,950	42,225.8	5.65

Table 4-8: Demographic characteristics of Valparaíso Region

PROVINCE	COMMUNE	POPULATION	SURFACE	DENSITY (inhab/km ²)
Isla de Pascua	Isla de Pascua	3,791	163.6	23.17
Los Andes	Calle Larga	1,393	321.7	32.31
	Los andes	60,198	1,248.3	48.22
	Rinconada	6,92	122.5	54.63
	San Esteban	14,400	1,361.6	10.58
Petorca	Cabildo	9,466	1,455.3	6.50
	La Ligua	31,987	1,163.4	27.49
	Papudo	4,608	165.6	27.83
	Petorca	9,440	1,516.6	6.22
	Zapallar	5,659	288.0	19.65
Quillota	Hijuelas	16,014	267.2	59.93
	La Calera	49,503	60.5	818.23
	La Cruz	12,851	78.2	164.34
	Nogales	21,633	405.2	53.39
	Quillota	75,916	302.0	251.38
San Antonio	Algarrobo	8,601	175.6	48.98
	Cartagena	16,875	245.9	68.63
	El Quisco	9,467	50.7	186.73
	El Tabo	7,028	98.8	71.13
	San Antonio	87,205	404.5	215.59
	Santo Domingo	7,418	536.1	13.84
San Felipe	Catemu	12,112	361.6	33.50
	Llay Llay	21,644	349.1	62.00
	Panquehue	6,567	121.9	53.87
	Putendo	14,649	1,474.4	9.94
	San Felipe	64,126	185.9	344.95
	Santa María	12,813	166.3	77.05
Valparaíso	Casablanca	21,874	952.5	22.96
	Concón	32,273	76.0	424.64
	Juan Fernandez	633	147.5	4.29
	Puchuncaví	12,954	299.9	43.19
	Quintero	21,174	147.5	143.55
	Valparaíso	275,982	401.6	687.21
	Viña del Mar	286,931	121.6	2,359.63
Marga-Marga	Limache	39,219	293.8	133.49
	Olmué	14,105	231.8	60.85
	Quilpué	128,578	536.9	239.48
	Villa Alemana	95,623	96.5	990.91
Total Average		1,539,852	16,396.1	93.92

Comparing the tables 4-7 and 4-8³⁶ of population and density per commune the huge difference between both regions is evident, while the larger cities of Tarapacá have less than 100 inhabitants per km², Valparaíso Region has plenty of examples that exceed this

³⁶ Census 2002, INE (Instituto Nacional de Estadísticas / National Institute of Statistics)

such as La Calera, Port of Valparaíso, Viña del Mar and Villa Alemana. The regional average density of Valparaíso region is 93.92 inhabitants per km² while in Tarapacá it is only 5.65. The difference in the number of inhabitants is important because it defines the number of provinces and communes within each region as well as the number of representatives for the Congress, the Regional Council and the Communal Council. As a consequence, the political-administrative division of Valparaíso – 8 provinces and 38 communes – allows it to have a greater amount of representatives in the Congress; therefore the political weight of Valparaíso is far bigger than Tarapacá's, which has to face the disadvantage of less representation in the national sphere.

Equally important is the critical mass of population. While Valparaíso has around 1.5 million inhabitants (Census 2002), Tarapacá has little more than 200,000. In order to attract more population to peripheral regions the Chilean state has implemented several subsidies such as 'Tax free zone' and territorial assignation³⁷; therefore in Tarapacá Region there are no taxes on imports, so all the goods are cheaper than in the rest of the country; also, there is an increment of 40% over the normal salary in the public sector plus an extra seven days for holiday per year. Therefore, Tarapacá has better employment and living conditions, which allows it to attract qualified professionals from other parts of the country.

Traditionally, Tarapacá based its economy on mining; over the 19th and first half of 20th century the main exploitation was saltpetre. However, the region has diversified its economy with trade being the main activity, followed by copper mining. Also gold, silver and salt are exploited. Fishing is the third economic activity of the region and fish oil and fishmeal are produced and exported. Tourism is also an important activity in the region due to its beautiful and diverse landscapes: beaches, oases, mountains, high plateau, and also, because of its historical and archaeological legacy. Agriculture and farming are difficult because of the lack of water resources, however there are several oases – the most important is Pica – where there are fertile soils and agriculture is well developed. Cattle Raising is usually located in the High Plateau of Andes Mountains, where there is more water and natural grasslands.

On the other hand, Valparaíso bases its economy on port activities - ports of San Antonio and Valparaíso -, agriculture –mainly in Aconcagua Valley - and tourism – Viña del Mar and along the Coastal Plains. The region is well known for the production of fruits and vegetables; its also worldwide reputation is for its wine. Fishing and mining are also important activities. Valparaíso has the third largest concentration of industries in the

³⁷ Asignación de zona

country, after the Metropolitan Region and VIII Region of Biobío. Tourism is very important because of the variety of landscapes present and activities that can be done. In addition to its beaches, Valparaíso region has other touristic attractions such as the valleys, where it is possible to enjoy the country life; the Andes Mountains, where there are routes for climbing, walking and skiing; and Valparaíso city, which was declared ‘World Heritage’ because of its architecture. A large number of tourists come from Santiago; during weekends, holidays and vacations there are massive invasions of Santiaguinos to the region owing to its ease of accessibility. Another advantage is that the public goods and services tend to concentrate where there are more people as the ratio of cost-benefits. So Valparaíso Region has the advantage over Tarapacá, which has to face the huge disadvantages of distance from the political and economic centre of the country.

Fig 4-8: Results of Deputies' elections 1989 – 2009 per regions

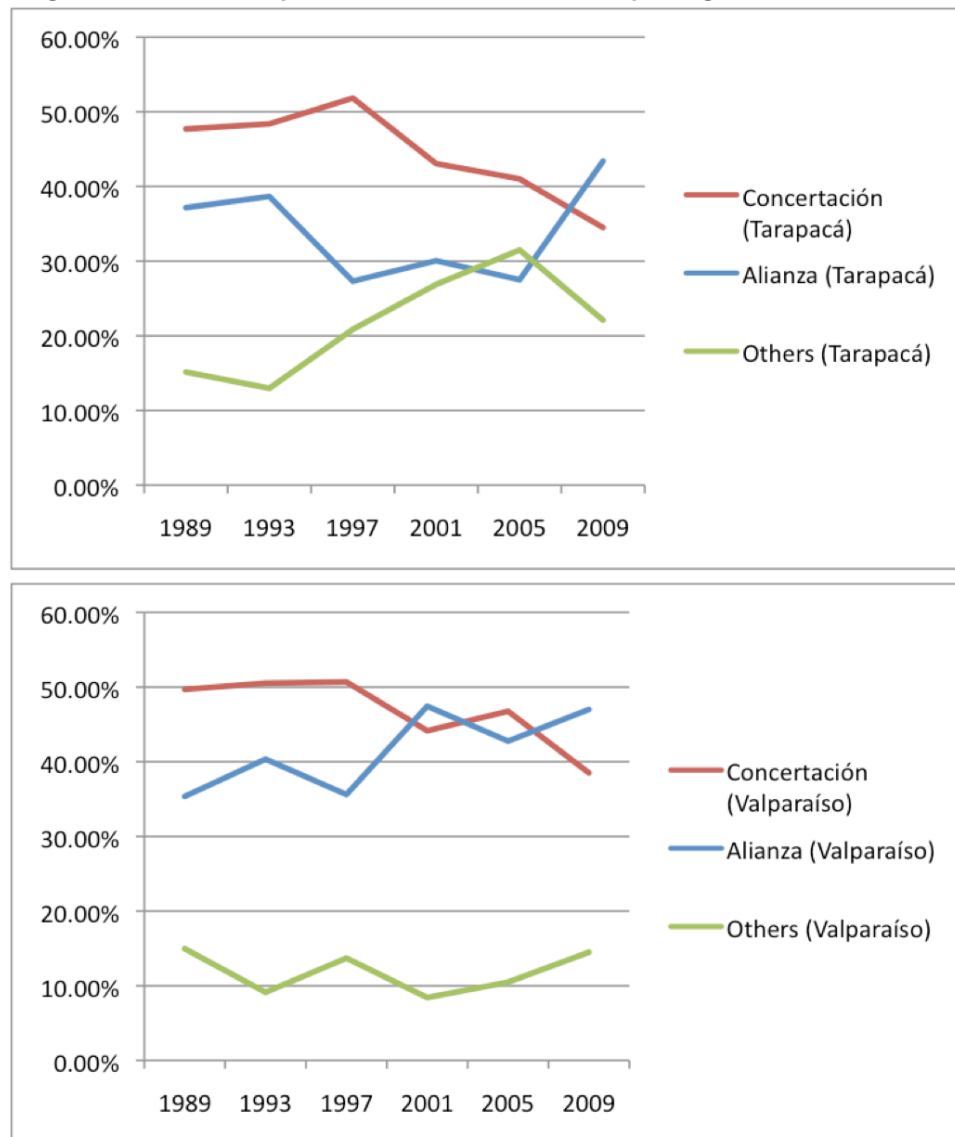


Figure 4-8³⁸ shows the political situation both at national and regional level through the comparison of the results in the deputies' elections since the return to democracy. The red lines corresponds to Concertación, the blue to Alianza and the green to smaller parties. The bigger graph shows all the results for the national and regional levels, the second line – with the three smaller ones - decomposes those results for clarity, and the third line – the two graphs at the bottom of the figure – shows the results per region. For these data it is evident that the Concertación lost ground both at national and regional level, while Alianza's grew. However, the Alianza managed to get more votes that the Concertación only in Valparaíso Region; votes went to the smaller parties and coalitions. From the green lines it is also evident that Tarapacá Region gives greater support to smaller parties than Valparaíso, which shows a similar behaviour to the national tendency. This might be explained by the rise of regional parties over the last 10 years; the most important regarding the number of affiliated is the Independent Regional Party (PRI). PRI was created in 2006 from the merger of two regional parties: the Independent National Alliance (ANI) and the party of Regional Action (PAR), created in 2002 and 2003 respectively; the ANI represented IX, X and XI regions, while PAR represented I, II and III regions. Thus, since 2003 Tarapacá has a regional representation.

Regarding to the results by regions, historically Tarapacá had chosen one deputy for each coalition, Alianza and Concertación, however during the elections of Deputies of 2005 a substantial change was produced, the candidate of the former PAR won a seat in the Congress. This showed the great need of representation of regions. Unfortunately, the deputy changed party later on and became part of the Alianza. Although the reasons the deputy gave to justify the change³⁹ were accepted, it might be seen as a failure of the PAR after the big triumph of winning a seat.

Despite this unique case, Tarapacá has supported Concertación more than Alianza over the years; however, during the last elections this changed and for the first time since the return to democracy the Alianza had more votes than Concertación in the deputies' elections. The tendency over the last years has been a steady decline in the support for Concertación, from the 51.83% in 1997 to 34.49% in 2009 while the Alianza has kept around 30% during the same period. The explanation for the sudden victory over the Concertación might be because the Alianza was part of a coalition with two smaller parties, whose aim was to remove the Concertación government that had lasted 20 years. Moreover, taking into account that in the last elections for Mayor (2008), the Concertación

³⁸ Source: author with data from SERVEL (Electoral Service)

³⁹ There was a scandal about corruption implicating the President of the PAR in office and the Deputy wanted to show she was not involved.

did not win in any commune, what happened during the elections of 2009 regarding parliamentarians and also presidential elections was not a big surprise. Despite all of this, due to the binominal electoral system Tarapacá has had one deputy from the Concertación and one from the Alianza since the return to democracy – with the exception of Deputy Isasi, who won as a member of the PAR but turned to Alianza later on.

The case of Valparaíso is different; the smaller parties seem to be out of the picture, while Alianza and Concertación have a vote-to-vote contest. Regarding Mayors, Valparaíso Region has twelve from the Alianza, fifteen from the Concertación, five from smaller parties and six independents. Currently Valparaíso Region has four senators and twelve deputies, half from the Concertación and half from the Alianza

Finally, regional identity based both on historical and geographical issues is an important topic when shaping the relationship between each region to central level. On the one hand Valparaíso has been part of Chile since the very beginning (16th Century), which means that Valparaíso has the same history and evolution as Santiago and almost the rest of the country, while Tarapacá became part of Chile after the Pacific War at the end of the 19th Century, having being Peruvian territory before that. Moreover, Valparaíso is part of the ‘central macro zone’⁴⁰, which is composed of Valparaíso Region, O’Higgins Region and the Metropolitan Region. This fact may create a stronger sense of belonging and partnership with Santiago in comparison with other regions that might tend to see Santiago as an adversary.

These characteristics raise the question as to how the relationship between the central state and the regions is shaped, considering the different realities of Valparaíso and Tarapacá. Is Valparaíso under closer control than Tarapacá? In other words, is Tarapacá freer because of its distance and sense of separation from the centre, meaning that the state has to make a bigger effort to control it? Is there a relation between power and geographical distance? How important is the political weight of each region in their relationship with the central level? What is the position of these regions in relation to decentralisation? Are they raising the same issues, considering one has been part of Chile for 130 years as opposed to the other’s almost 500 years? Is Valparaíso more empathic than Tarapacá toward Santiago because they share the same history and geographical area? These questions will be addressed in the results chapters (V, VI and VII). These regions were chosen in order to their differences which will allow to have an interesting comparison of the response of regions to the reforms recently implemented in the country.

⁴⁰ Macrozona Central

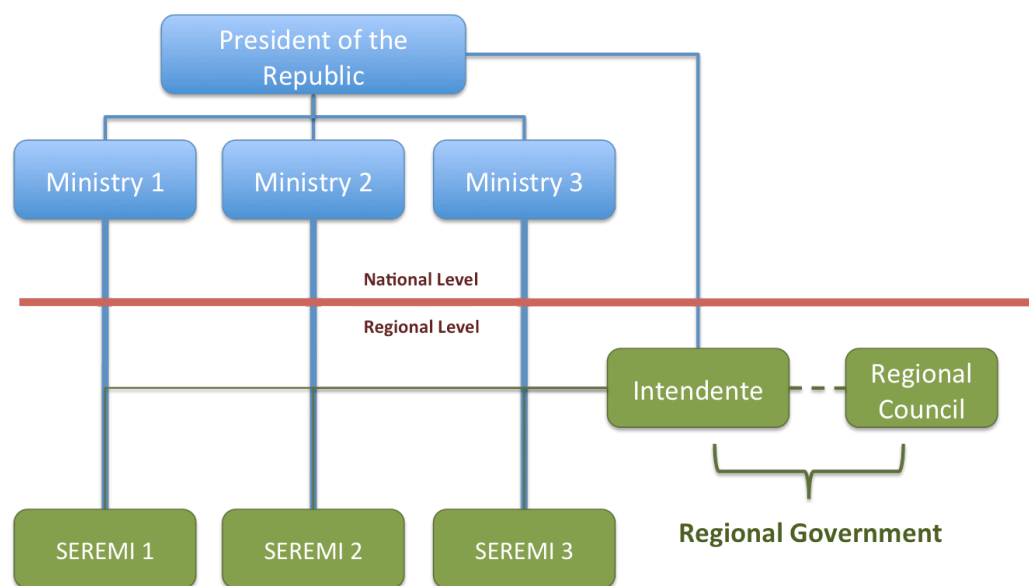
CHANGING NATIONAL AND REGIONAL INSTITUTIONAL STRUCTURES

National structure

Chile has a multilevel administrative structure: national, regional, provincial and communal. This administrative structure of the state will be described deeply at the national and the regional levels, which concern this research. Besides, the main focus will be on the Executive and the Legislative Power.

As is shown in the figure 4-9⁴¹, at the national level the Executive is under the President of the Republic, who has the faculty to design his/her Cabinet and to choose its members. Each ministry or sector - such as Transport, Public Works, Domestic Affairs, Housing and Urbanism, Planning and so on - has a Regional Office or SEREMI, which deals with regional affairs.

Fig 4-9: State structure at the national and regional level



The Law 19.175 of 'Regional Governments and its Administration' establishes that the government of the regions lies with the Intendente, and the administration of the regions lies with the Regional Government or GORE, which is composed of the Intendente and the Regional Council or CORE⁴². As a consequence, two roles are defined for the Intendente: ruler of the region, as the representative of the President, and administrator of the region, as Executive of the Regional Government - or just Executive. The Intendente is

⁴¹ Source: author

⁴² Art 111° Constitution of Chile

directly named by the President of the Republic and can be removed any time the President so decides. Among his/her duties as Executive he/she acts as the President of the Regional Council; this is the reason why it is commonly said that the Intendente has ‘three hats’. As representative of the President, the Intendente is in charge of domestic affairs and in this regards he/she has to follow the guidelines, orders and instructions of the President and also to keep the President informed of regional issues and circumstances⁴³; usually, this relationship is via the ministry of Domestic Affairs. As the Executive of the Regional Government, the Intendente is responsible for: coordinating and monitoring the work of the public services within the region; proposing to the President three candidates for the designation of Heads of SEREMIs and also their removal on occasion; administrating the resources of the Regional Government and presenting to the central level the needs of the region⁴⁴. Finally, the Intendente presides over the Regional Council, in which he/she has the right of voice but not of vote unless there is for a casting vote regarding a specific decision. His/her main functions are to define the agenda of the Regional Council; to present plans and strategies for development, the regional budget and distribution of FNDR⁴⁵ for its approval; and to propose programming agreements between the Regional Government and any other regional public service⁴⁶. Two questions stems from this: what is going to be the relationship between the Intendente and the Regional Council, as the proposal of Law states that the regional councillors will choose the President of the Council from among them. And given this, what is going to be the relationship between the central state and the Regional Government, taking into account the influence that SUBDERE currently exerts over GOREs.⁴⁷

The administrative body of the Regional Government is currently composed of three Divisions (fig 4-10⁴⁸): Planning and Development (DIPLAD), Analysis and Control of Management (DACOG) and Administration and Finances (DAF). The Constitution (Art 114°) allows the transference of functions/competences from Ministries or other Public Services in conformity with the needs of the regions; therefore the structure of the Regional Government might change in the future.

⁴³ Art 111° and 112° Constitution of Chile; Art 1° and 2° Law 19.175

⁴⁴ Art 23° and 24° Law 19.175

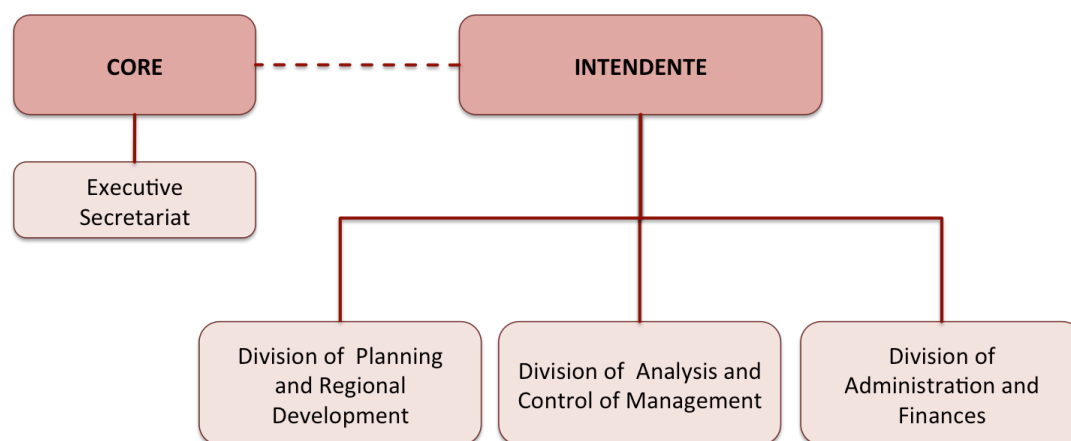
⁴⁵ Investment defined Regionally (IDR), in Chile is called FNDR (National Funding for Regional Development)

⁴⁶ Art 24° Law 19.175

⁴⁷ As the first election of regional councillors will be in November 2013, it was not possible to answer these questions, so the assessment of this particular issue should be address in a further research.

⁴⁸ Source: author

Fig 4-10: Structure of the Regional Government



The Regional Council is part of the Regional Government and is composed of a President of the Council and the regional councillors, which are elected by local councillors from the local governments (Municipalities). The number of regional councillors depends on the inhabitants and the number of provinces each region has; thus Tarapacá has 14 councillors and Valparaíso 28. The main functions of the Regional Council are: to supervise the Intendente's duties as head of the Executive, to approve regulations and planning instruments, to resolve the distribution of regional resources and to approve the Regional Government programming arrangement⁴⁹.

Table 4-9: Number of local and regional councillors in Tarapacá

PROVINCE	Nº LOCAL COUNCILLORS	Nº REGIONAL COUNCILLORS
Iquique	14	11
Tamarugal	30	3

Table 4-10: Number of local and regional councillors in Valparaíso

PROVINCE	Nº LOCAL COUNCILLORS	Nº REGIONAL COUNCILLORS
Isla de Pascua	6	2
Los Andes	24	3
Petorca	30	2
Quillota	30	4
San Antonio	36	3
San Felipe	36	3
Valparaíso	50	11

So far, the regional councillors have been indirectly elected; local councillors from the Communal Government choose them. The local councillors, grouped by provinces,

⁴⁹ Art 25° Law 19.175

elect a certain number of councillors – according to the number of inhabitants of each province. The votes of two local councillors or 0.5% of citizens' votes are needed to be nominated as candidate. Tables 4-9 and 4-10⁵⁰ show the current number of local councillors and regional councillors by province, and also the number of votes regional councillors need to be elected in Tarapacá and Valparaíso regions; so those were the local councillors who chose the regional councillors at the end of 2008. Given that, is it possible to infer that a regional councillor needs between one and fifteen votes to be elected in these regions, depending on the province. For instance, in Iquique Province a councillor may be elected with just one vote – fourteen individuals have to choose eleven -, while in Pectora Province a councillor needs near fifteen votes to be elected – thirty individuals choosing two. The current election system of regional councillors is non-democratic, non-representative and might lead to corrupt practices, which are the reasons that support the Reform of 2009 that will be explained in the next section.

SEREMIs are the regional branches of Ministries and work under two lines: sectorial (Ministry) and regional (Intendente); thus, each Head of SEREMI has a dependency relationship with both levels. This is due to two reasons: firstly, each Head of SEREMI is appointed together by the Intendente and the Minister of the respective sector. The Art 2° letter k) of the Law 19.175 establishes that the Intendente proposes 3 names to the President of the Republic who, via the Minister of the respective sector, appointed the Head of SEREMIs. And, on the other hand, the same law in its Art 24° letter m), establishes the faculty of the Intendente to coordinate, supervise and monitor all the regional services. Therefore, each Head of SEREMI has two bosses (see figure 4-9), which might produce strain over him/her when sectorial and regional interests are in conflict.

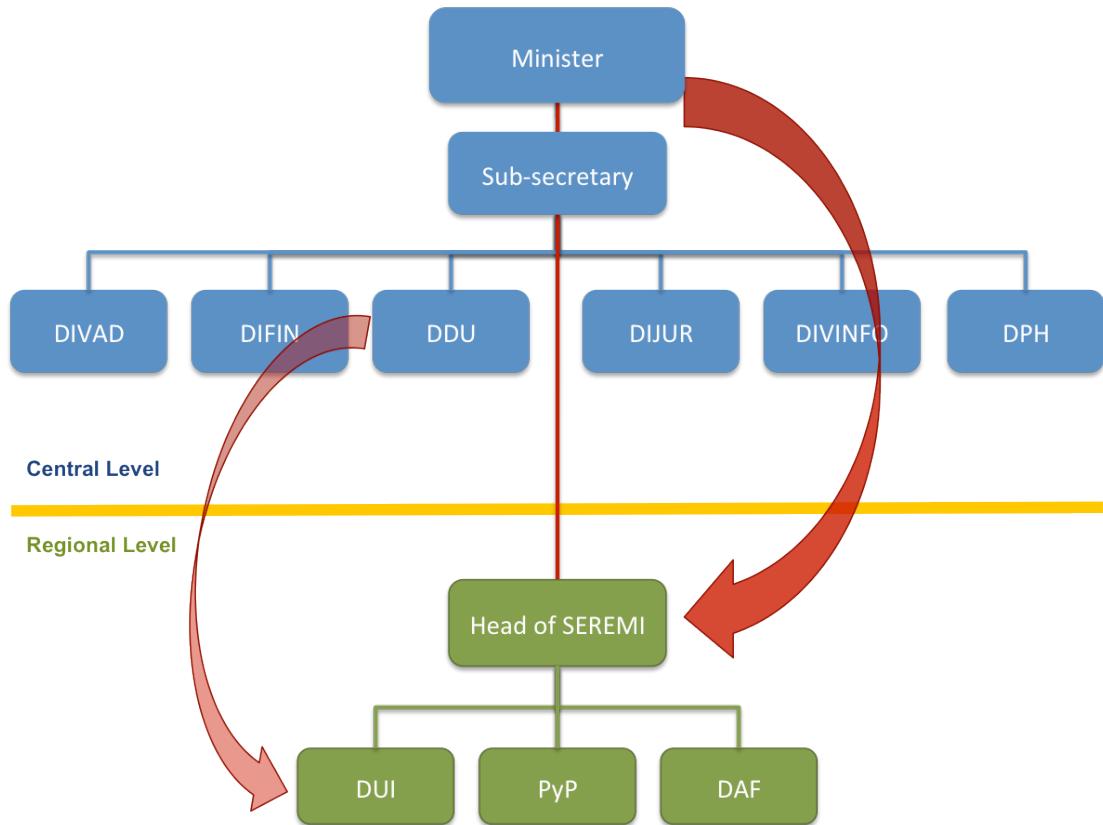
Figure 4-11⁵¹ shows the complexities of the power relations between levels within the Ministry of Housing and Urbanism (MINVU), giving also the organisation of this ministry. The Minister and the Sub-secretary are the main authorities of the ministry and they have direct communication with the head of each SEREMI at the regional level. Also the Divisions may communicate instructions directly to the Departments, as it is shown with the example of DDU and DUI. The minister, the sub-secretary, the heads of Divisions and the heads of SEREMIs are currently political appointed positions, however until 2010, the heads of Departments were also appointed. The Department of Urban Development and Infrastructure (DUI) works directly with the Division of Urban Development (DDU) and follows its instructions most of the time. Thus, there are two main streams of power

⁵⁰ Source: author, with data from Regional Government of Valparaíso and Tarapacá.

⁵¹ Source: author

relations between levels, one from the minister and sub-secretary to the head of SEREMI and the other from the Divisions to the Departments.

Fig 4-11: Structure of the the ministry of Housing and Urbanism



Central level: DIVAD Division of Administration / DIFIN Division of Finance / DDU Division of Urban Development / DIJUR Juridical Division / DIVINFO Division of Informatics / DPH Division of Housing Policies
Regional level: DUI Department of Urban Development and Infrastructure / PyP Department of Plans and Programs / DAF Department of Administration and Finances

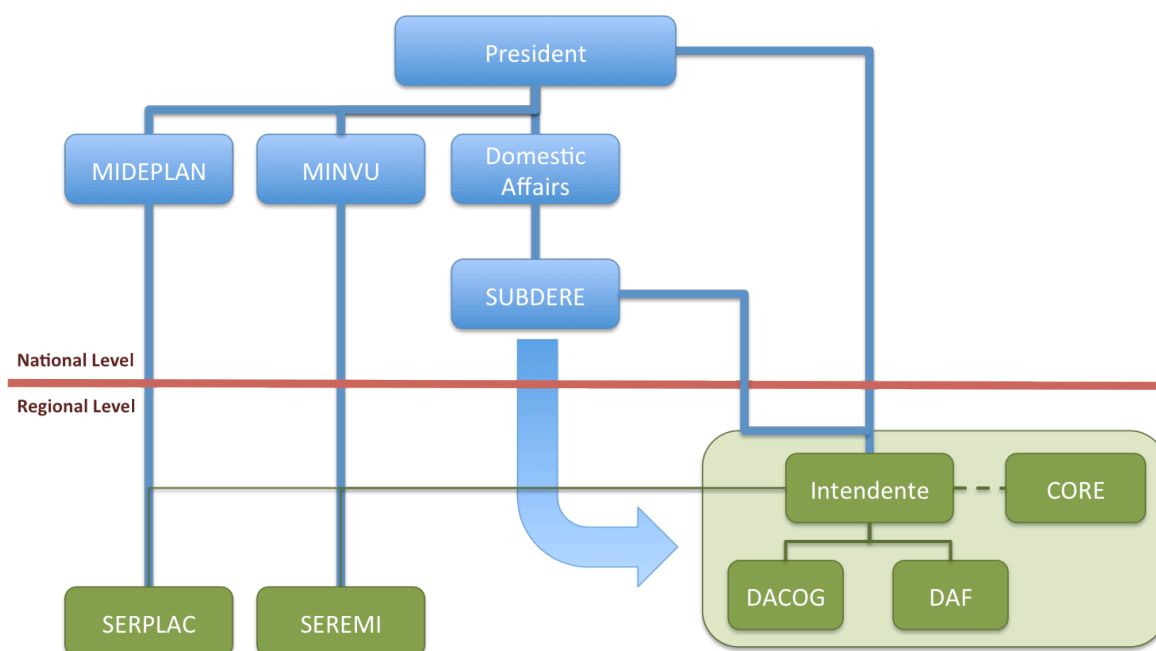
Current reforms

The Regional Government has two roles: a national government role, in which the Intendente is the direct representative of the President of the Republic and a territorially decentralised role, in which the Intendente acts as the executive of the Regional Government and also presides over the Regional Council (OECD 2009).

Before the 2005 and 2009 reforms, the administrative body of the Regional Government was composed of two divisions: DACOG and DAF. The former, has to support the construction of the budget project regarding the investment of Regional Government and also monitoring and controlling it - which means being in charge of FNDR (pre investment and investment). DAF is in charge of the administrative and

financial management, of the formulation and execution of the budget and the provision of the general supplies for Regional Government⁵².

Fig 4-12: State structure before 2005



Central level: MIDEPLAN Ministry of Planning / MINVU Ministry of Housing and Urbanism / SUBDERE Sub-secretariat for Regional Development
 Regional level: SERPLAC Regional Secretariat of Planning and Coordination / SEREMI Regional Ministerial Secretariat / CORE Regional Council / DACOG Division of Analysis and Control of Management/ DAF Division of Administration and Finances

Also, the Regional Council was composed of indirectly elected councillors; it was tied to the Intendente, who presided over it. Therefore, up to 2005 Regional Governments in Chile had the structure shown in the figure 4-12⁵³.

SUBDERE proposed two reforms; the first one (2005) was focused on giving Regional Governments a stronger internal structure, the creation of a third division in charge of strategic planning for the region was proposed. The second one (2009) was focused on democratising regional authorities and thus giving them more autonomy; therefore it proposed the direct election of the Intendente and the regional councillors.

In 2005 the third division of Regional Government, DIPLAD was created by SUBDERE. The intention of SUBDERE was the modification of Art 68 of the Law 19.175, which would allow each region to define their own internal structure according to their specific needs; however this was considered unconstitutional by the Constitutional

⁵² Art 68 Law 19.175

⁵³ Source: author

Tribunal and was rejected. However, it was possible to add into the Law 19.379⁵⁴ a third head of a nameless division. Straightaway, SUBDERE used that legal loophole, arguing that as the law did not specify the tasks for this position, the Intendente – using the faculties established by Art 27° of Law 19.175 – had to define them. SUBDERE also approved a budget for hiring human resources in order to provide a team to help him/her to fulfil the tasks given by the Intendente. Thus, the Divisions of Planning and Development were created, which up to the present time have no name, functions and staff defined within the legal framework.

DIPLADs were subject to the will of the Intendente, who was giving them tasks not necessarily related to what SUBDERE had previously defined. For them the main tasks of DIPLAD should be four: generation of a regional strategy for development (EDR), generation of a regional plan of territorial order (PROT), generation of regional public policies and the generation of a preliminary draft of proposals for regional investment (ARI). SUBDERE organised several workshops and training courses within Regional Governments in order to clarify these aims and to prepare people for the new division. Meanwhile, SUBDERE was negotiating within the central level for the transference of the EDR and PROT from MIDEPLAN and MINVU respectively towards the Regional Governments.

A second important reform came in 2009, which was about the separation of Regional Government from the central level, proposing the direct election of regional authorities in order to give them more representativeness and to deepen democracy, which opened a huge political debate around the kind of decentralisation Chile is pursuing and to what extent; questions that have not been answered yet. Meanwhile, the modification of the Constitution was made in the following terms: the Intendente continues as head of the Regional Government and as representative of the President of the Republic, so he/she remains an appointed position; however, the regional councillors will be directly elected and they will choose the President of the Regional Council⁵⁵. Thus, just one part of the changes proposed by SUBDERE was taken into account within the constitutional reform of 2009.

These two reforms are changing the face of the Regional Governments in Chile (see fig 4-13⁵⁶), giving them more technical tools and resources (DIPLAD) in order to generate their own axis of development and, besides, giving them more autonomy for implementing them. There is still a long way to go and Chile is far away from real decentralisation, but

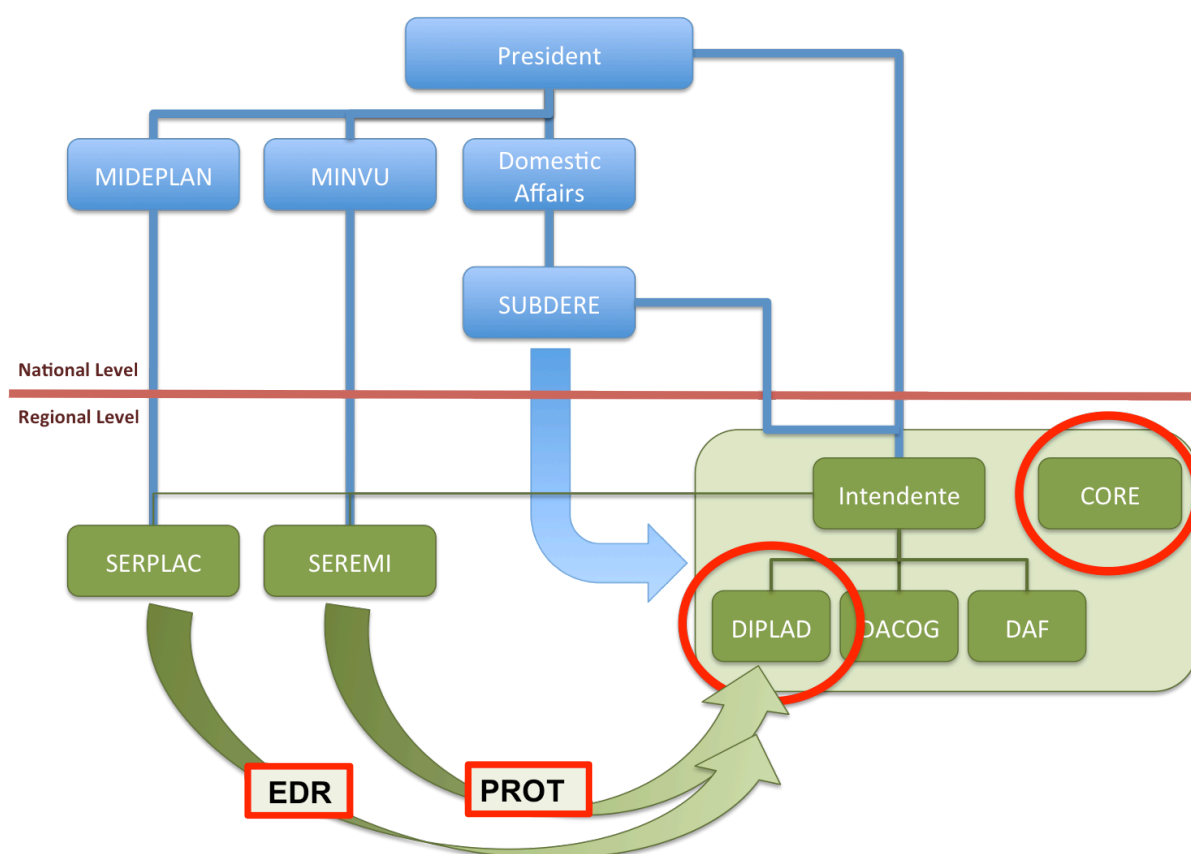
⁵⁴ Ley de Planta de los Gobiernos Regionales (Law of the staff of Regional Governments)

⁵⁵ Art 113° of the Constitution

⁵⁶ Source: author

these milestones play a key role in the main picture in which decentralisation is being shaped. Both lines, the reinforcement of regional structure and the increment of political autonomy, seek to empower the Regional Governments; the implementation of a strong regional structure would allow the reception of the competences that have been transferred from the central level and also may define the procedure for new transferences in the future. Thus the formal structure of the Regional Government would be strong enough to hold more autonomy, which leads to the second strategic line of these reforms: political autonomy would help to empower regions in their relationship with the central level. Political authorities directly elected from citizenry are not tied to the will of the central level and may have more freedom to make a regional case and work for it. SUBDERE has a plan, which is being implemented step by step as far as possible. It is the aim of this research to go deeper into the analysis of these reforms, seeking a better understanding of how Chile is shaping political decentralisation.

Fig 4-13: State structure after 2005



Central level: MIDEPLAN Ministry of Planning / MINVU Ministry of Housing and Urbanism / SUBDERE Sub-secretariat for Regional Development
Regional level: SERPLAC Regional Secretariat of Planning and Coordination / SEREMI Regional Ministerial Secretariat / CORE Regional Council / DIPLAD Division of Planning and Development / DACOG Division of Analysis and Control of Management/ DAF Division of Administration and Finances
EDR Regional Strategy for Development / PROT Regional Plan of Territorial Order

CONCLUSIONS

In order to understand Chilean decentralisation processes the political, social, economic and historical context with all its complexities becomes crucial. A series of considerations have to be taken into account, such as the establishment of the Portalian model of the state, as a response to the necessity of a new order; the Chilean republic and the consolidation of the national sovereignty; the conservative tendencies of Chilean traditional elites, who have led almost every important event since independence; the neoliberal economic model implemented in the middle of the 1980s, in which the interventionist role of the state was diminished and business-people appeared as new political actors; the strengthening of the coercive role of the state during the Dictatorship and consequent division of Chilean society between left-right political views; and finally, the changes operated within society over the past five years in which those traditional left-right wing divisions are being questioned by the new claims against centralism.

The comparison of two so different regions is also an important point in this research; it will facilitate a better understanding of the central-local relationship and the shaping of decentralisation within a country so diverse but at the same time so centralised. Finally, understanding the complexities of Chilean legal, administrative and political context allows a better comprehension of decentralisation process and the key role that SUBDERE plays in it.

The creation of DIPLAD and the direct election of the regional councillors are two important steps toward greater decentralisation; on the one hand the ‘hollowing out’ of some central state functions toward the strengthening of Regional Governments and, on the other hand, the greater representativeness of councillors. However, Chile has a strong vertical administrative and political structure, which only can be broken through legal reforms within the Congress; therefore, the support of parliamentarians is needed in order to succeed. Thus, the political system is very important because it means that any big step has to be done in agreement with the main political coalitions, Concertación and Alianza.

In the next three chapters the research questions that stemmed from this research will be analysed: how decentralisation is understood and framed in Chile; how effective (real) is the empowerment of regional governments through top-down reforms; and finally, the institutional relationship between central state and the regions.

CHAPTER V

SHAPING POLITICAL DECENTRALISATION

INTRODUCTION

The first question of this research concerns how political decentralisation is understood by actors and how this understanding shaped its application. In order to do that it is important to analyse what is understood by political decentralisation, how strategies towards decentralisation are designed and how they are implemented. Therefore the process from the conception up to the application of a decentralising reform is the focus of this thesis. The implementation of decentralised measures cannot be done only through legal reforms and top-down instructions from the central level; it has to be accompanied by practices within the institutional apparatus of the State. This informal application of decentralisation is also essential because it will constitute the real decentralisation of the country. In that sense the understanding of actors and their practices within the public institutions involved in the process is crucial.

If linearly constructed and with just one actor involved, the analysis would be simpler; however, reality is complex, with multiple actors and spheres of action. This chapter aims to shed light on the entanglements in which the decentralisation process is embedded. In chapters III and IV (Case Study and Literature Review) the concept of decentralisation has been discussed in relation to the new paradigm of the state; also, the historical and cultural context of Chilean decentralisation and the national ethos has been analysed – the latter mainly regarding centralism and political identity. Therefore this chapter will outline the nuances of the framework constructed around political decentralisation when applied in this particular context.

The first section aims to analyse how agents interpret and construct the three dimensions of decentralisation identified by this research: the philosophical, political and technical dimensions. The philosophical dimension is related to the framework and set of concepts that shape the agents' understanding of reality. The political dimension is related to the decision-making process and the design of strategies towards decentralisation, which are framed by the main streams of thought that influence the construction of perspectives, arguments and discourses of decentralisation. And the technical dimension is related to the actions involved in order to fulfil those decisions. As actions are made by actors, their interpretations and understanding of reality are crucial to their performance. Thus, philosophical discourses frame both dimensions, political and technical, although specific actors are not always aware of that.

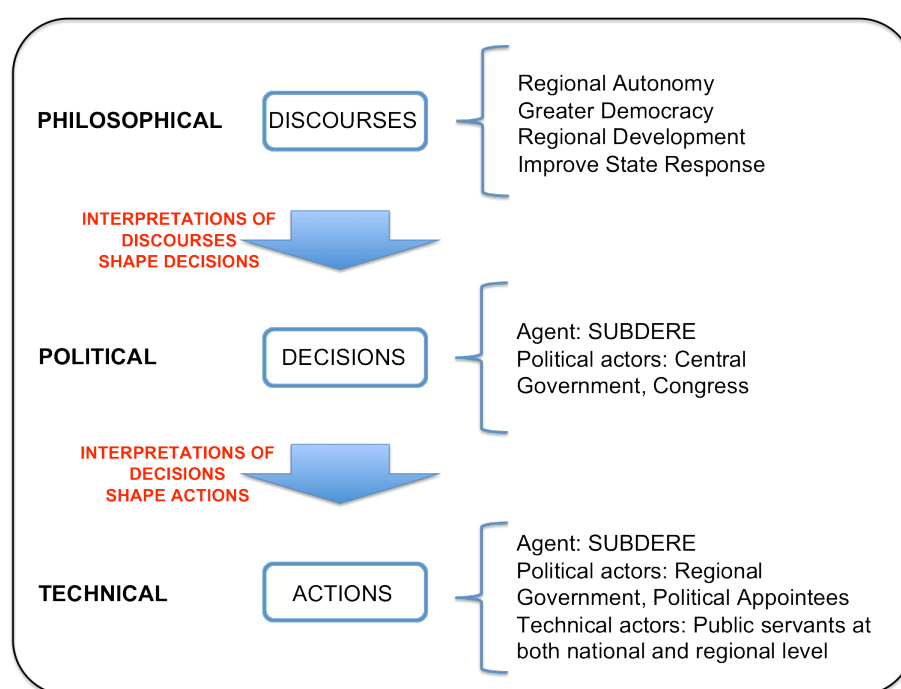
The second section discusses the difficulties that Chilean decentralisation has faced so far. This research has identified gradualism as a major obstacle to decentralisation, which is a consequence of the attitudes of the actors involved and expressed by the state

personnel through open resistance, a reluctance to implement specific measures or inertia. The section also poses these issues as outcomes of Chilean reality; that is to say, a centralist culture, regional disparities and (in)capacities that lead to the misgivings the central level has about the regions, and the state of engagement which ties the government in office, preventing it from taking more radical measures towards decentralisation.

PHILOSOPHICAL, POLITICAL AND TECHNICAL DIMENSIONS OF DECENTRALISATION

The way that decentralisation is shaped is related to three issues: what is understood by political decentralisation, how the decision-making process is performed, and how those decisions are implemented; in other words, the philosophical, political and technical dimensions of decentralisation. In the next pages, figure 5-1¹ will be deconstructed in order to analyse the Chilean process towards decentralisation.

Fig 5-1: Dimensions of decentralisation



It is necessary to identify the agents involved in the process and what discourses drive them to understand how political decentralisation is shaped. Discourses are fundamental to understand the actors' responses to a political conjuncture. Although theoretical, what is more interesting about discourses is how they are interpreted and translated into reality, therefore how they shape the actions towards decentralisation; in

¹ Source: author

other words, decentralisation is highly influenced by the motivations, beliefs and interests of its agents. Thus, it is fundamental to grasp the different interpretations of decentralisation in order to understand the decision-making process and how those decisions are implemented.

Besides the theoretical discourses, two spheres are identified regarding agency towards decentralisation: political and technical. The political sphere is related to decision-making and the design of decentralising reforms; the actors involved here are the central government and parliament, and SUBDERE acts as the driving agent that designs and negotiates within the central level of the Executive and with the Congress over decentralising measures and policies. The technical sphere is related to the implementation of such policies; so the way that decisions are passed down to the regional level is crucial for their success.

Philosophical dimension: discourses

As was discussed in Chapter II (Literature Review) the main streams related to decentralisation are economic, cultural and political; however, nowadays the most important are political and economic, in which one is focused on development while the other focused on decentralisation itself².

Political and developmental streams frame the different perspectives that actors have of decentralisation, thus creating a set of arguments or discourses to justify its promotion and scope. The Chilean case shows the influence of both perspectives in the arguments identified for supporting the decentralising process. Interviewees developed four main arguments or discourses in order to justify decentralisation: regional autonomy, greater democracy, regional development and the improvement of state response.

From a political perspective, regional autonomy, democracy and governance play important roles as goals of decentralisation, and are part of post Marxist theory. Moreover, in Chile these discourses were the strongest during the 1990s as the country had just came out of a 17 year dictatorship; therefore the democratization of all state institutions and a change of the practices within the state were very important. Both arguments, regional autonomy and greater democracy, are entangled, so in most of the interviews respondents use them together.

'Descentralización es cuando el poder central le atribuye capacidad y traspaso de competencias a otras regiones, para que ellas trabajen de manera

² See Bardhan, 2002; Rodríguez-Pose et al 2003, 2008 and 2010; Monge, 2005

autónoma y crezcan de manera... Con lo que se llama el desarrollo endógeno. Eso es lo que yo entiendo, que es una mirada regionalista para la propia región, así va a tener más validez. En cambio un trabajo desde el nivel central, siempre va ser con una mirada centralista 'ellos necesitan más infraestructura o el turismo' pero el nivel central, como no vive en la región, no conoce la realidad. Entonces, la descentralización es el paso y traspaso de competencias desde el nivel central hacia las regiones.'

'Decentralisation is when the central power and capacity assigns capacity and transfers competences to regions, so they can work autonomously and grow... by what is called endogenous development. That is what I understand, that it is a regional perspective for the region itself, so that it will have more validity. On the contrary, work from the central level will always be from a centralised point of view 'they need more infrastructure or tourism' but as the central level does not live in the region, it does not understand its reality. Then, decentralisation is the transfer of competences from the central level towards the regions.'

(INT 25 – Public servant, Tarapacá 2009)

Regional autonomy refers to both the election of political authorities and the capacity of regions to make their own decisions. The interviewee emphasises the relevance of transferring decision-making processes to subnational governments in order to give the regions the opportunity to 'think for themselves', so that regional governments can have greater control over their territory and destiny. In order to achieve that autonomy, the transfer of resources, capacities, responsibilities and functions is fundamental. The transference of decision-making itself cannot give autonomy to the regions if their political officials are appointed; therefore respondents also highlight the need for elected political authorities, who should not be directly tied to the central level. Regional councillors and people from DIPLAD are the most supportive of the regional autonomy discourse.

The second discourse is that decentralisation is the path towards greater democracy. Again, the cores of this argument are the transference of decision-making to the regions and the election of political authorities. However, it should go further than just the election of regional officials, it should involve the democratisation of the decision-making process. In the words of one interviewee '*decentralisation allows more participation, therefore it strengthens democracy*'³. This means the inclusion of more actors in the discussion – e.g.

³ La descentralización permite mayor participación, por lo tanto se fortalece la democracia (INT 18 – Public servant, Valparaíso 2010)

increasing the number of public/private committees, improving the communications between the political and technical teams within public institutions, improving intersectoral coordination and multisectoral round tables, etc –, should result in a strengthening of regional governments and, therefore, of the regions. Public/private committees promote the construction of a merged agenda, in which some public and private interests are united in order to create synergies and to channel efforts towards specific goals.

The lack of communication between the political and technical parts of a public institution many times causes delays and/or misunderstandings in decision-making. Political appointees do not always listen or understand public servants' technical criteria when making decisions and public servants are not always aware of the political reasons behind a decision. The same occurs when technical teams present projects for the approval of the Regional Council.

This lack of understanding between technical and political often affects the approval and/or application of certain policies, plans, programmes or projects – e.g. between 2002 and 2006 U\$14.7 millions were invested by the Ministry of Housing and Urbanism (MINVU) and U\$6.2 million through other institutions (municipalities or regional governments) in order to *complete the Regional Urban Development Plans (PRDU) for all the regions; the principal Intercommunal Regulator Plans (PRI); and to update all the Communal Regulator Plans (PRC) for all the communes* (MINVU, 2006, p2). By December 2006 13 PRDU, 14 PRI and 139 PRC were finished; however, less than 10% of all these plans had been approved (Velásquez, 2008). Therefore, despite having concluded the technical stage, there were unresolved issues within the political approval of the plans, which resulted in a waste of resources and energy.

Working in round tables is a common practice within the Chilean state; it is used whenever an issue cannot be solved by one sector⁴ alone. Regional governments should carry out the role of coordinator of intersectoral round tables. In sum, public/private committees, better communication between political and technical teams and a better articulation of intersectoral round tables improve and validate the decision-making process, as it is more participative and democratic. The discourse of greater democracy – although just in relation to the election of regional officials and the transference of decision-making – is mainly supported by academics, regional councillors and DIPLAD.

Decentralisation changes the distribution of political power between the central state and the regions, and also within the regions - e.g. the relationship between the GORE and

⁴ Housing, Public Works, Health, Education, etc.

SEREMIs⁵. When regional government becomes the motor of the region and is able to articulate the other public services and to coordinate them with the private sector, the region becomes a whole body. Nowadays regions do not count on a proper regional government, but with a fragmented body of regional institutions that find it difficult to work co-ordinately, mainly because these institutions respond to different sectors of the central state. Decentralisation can give the strength and leadership GOREs need in order to have a collegiate body, coordinated and politically independent from the central government.

Decentralisation means the empowerment of subnational levels, which may be an issue for the central state as they may construe it as losing power. However, it can also be seen as an opportunity for the state to prove its ability to adapt to the new scenario, which is the qualitative state defined by O'Neill (1997). In the following quote the interviewee argues that the role of the central state is to keep national unity and the consistency of each level regarding the others.

'El rol del Estado debe ser de cemento dentro de la comunidad nacional; es el que tiene que mantener la unidad. Cada nivel tiene un rol que jugar. Por ejemplo, el tema social, cultural y deportivo en el nivel local; infraestructura estructurante, desarrollo económico, innovación, en el nivel regional; y universidades, defensa, seguridad interior del Estado, relaciones internacionales, obras interregionales en el nivel nacional'

'The role of the state should be the cement within the national community; it is who has to keep the unity. Each level has a role to play. For example, social issues, culture and sports at the local level; structuring infrastructure, economic development, innovation, at the regional level; and universities, defence, the internal security of the state, international relations, interregional works, at the national level'

(INT 20 – Political Apointee⁶, Valparaíso 2010)

Thus, having clear and differentiated roles by levels the whole state becomes stronger, as there will not be overlapping efforts among levels. The central state also becomes stronger after decentralisation because its role would be better defined, so it would not waste energy on spheres that are not its competence. Thus, the whole state

⁵ Regional Secretariats of Ministers, also called sectors. E.g SEREMI of Housing or SEREMI of Public Works

⁶ Public servant who had been substituting for his boss for several months.

apparatus would be more efficient. From this perspective, decentralisation can be seen as an opportunity for the central state to vindicate its primordial role and functions within society. During the 1970s and 1980s it seemed that the state stepped aside in favour of the market – mostly because of privatisation, liberalisation and deregulation –; with political decentralisation the state is back in the game as an important agent of coordination and promotion at subnational and supranational level. Despite the above, interviewees highlight that the empowerment of the regions is pointless without the election of regional officials and greater participation of civil society. The fact that Chile returned to democracy (1990) is also important in order to understand the current process towards decentralisation, which is rooted in the early 1990s. Coming out from an authoritarian regime, regional decentralisation is highly associated with democratisation and pluralism, the same as happened in Germany and Italy after the Second World War (Keating, 1998).

Following Fig 5-1 there are two more discourses or arguments to support decentralisation: regional development or regionalism and the efficiency of the state response, which come from a developmental perspective. Regionalism is a strategy based on the generation of ‘competitive territories’, which seeks regional autonomy from the central government by strengthening the coordination between public and private spheres, improving the participation of civil society and inter-institutional initiatives, and recouping the role of the state in the decision making process through empowering subnational governments⁷. This strategy follows a local/global dialectic, in which the region is seen as an administrative and operational unit to achieve endogenous development (Cuesta, 2006). The Chilean pursuit of regional development has been characterised by highly centralised policies, both in conception and administration – e.g. Law Arica 1 and 2⁸. For regionalists, decentralisation is seen as a way to increase the political power that regions need in order to achieve development (Cuesta, 2006). Politicians from both national and regional levels are the main supporters of this discourse, as is shown in the following quote:

‘La descentralización tiene que ver con los grados de empoderamiento que tengan que tener las regiones, sus ciudadanos, sus actores locales; con el grado de articulación que tengan en términos productivos, culturales, de desarrollo social. Los grados de gobernanza que logren entre sus instituciones y sus actores relevantes para poder tener una visión común de desarrollo. Esos grados de redes que se formen regionalmente y lo vinculo con un grado de descentralización. Para mi no pasa por el tema administrativo, ni económico, ni político sino que

⁷ See Keating 1998, Finot 1999 and 2001, Lira 2003, and Montecinos 2005

⁸ Ley Arica 1 y 2 are two laws created for tax benefits in Arica and Parinacota provinces

simplemente pasa por potenciar el desarrollo local, las instituciones y sus actores.'

'Decentralisation is related to the empowerment degrees that regions, citizen and local actors have; to the degree of articulation/linkage they have regarding productive, cultural and social development issues; the achievement of governance degrees among institutions and relevant actors in order to have a common vision of development. For me it does not go through administrative, economic or political issues, but through the promotion of local development, institutions and actors.'

(INT 13 – Politician, Tarapacá 2010)

Finally, the last discourse concerns the state response to community needs. Von Baer (2013)⁹, Head of CONADERE¹⁰, explains that the national level is overloaded, hypertrophied, so it cannot respond efficiently to local demands; regions can take better care of subnational issues. The key point here is Tocqueville's principle of each level dealing with their own issues, because that is the best place to do it; people from regions will understand better their situation and will be able to develop more suitable solutions than the central level. The following quote explains the difficulties that the central state faces in order to respond appropriately to local issues. The quote comes from an academic who participated in the decentralisation workshops organised by SUBDERE in the early 2000s.

'Yo creo que un país como Chile, donde la característica principal es la tremenda diversidad físico-natural, yo creo que no hay que explicar mucho por qué las decisiones no pueden tomarse de manera centralizada. A no ser que yo tenga tal nivel de capacidad de captura de esta diversidad y de respuesta a la carta, no de menú, como es la historia de Chile siempre. En la medida que yo desarrollo una capacidad de oferta a la carta, también puedo resolver el problema. Ahora, yo creo que esa capacidad de oferta a la carta es muy difícil de desarrollar porque la diversidad es tremenda. Me parece que lo que hay que hacer es descentralizar, que en el fondo es simplemente trasladar las decisiones (...) tratando de ir a la escala lo más precisa posible en el sentido de para qué me voy a mover a la escala local si de lo que estoy hablando es de las relaciones

⁹ El Mercurio 13th May 2013. Chilean newspaper

¹⁰ Consejo Nacional para la regionalización y la descentralización. National Council for regionalisation and decentralisation.

internacionales de Chile, ahí me quedo en la escala nacional (...) Entre más me acerco a la escala adecuada más eficientes van a ser mis decisiones.'

'In a country like Chile, in which the main characteristic is the great physical-natural diversity, I believe there is not much to explain about why decisions cannot be made centrally. Unless I have such capacity to capture that diversity and to respond 'a la carte', rather than with a set menu as has always been in Chilean history. Insofar as I develop 'a la carte' response capacity, I can solve the problem; however, I believe it is very difficult to develop it because the diversity is tremendous. It seems to me that what we should do is decentralise, which is basically transfer decision-making (...) trying to go to the most appropriate scale possible, in the sense that why should I go to the local scale if what I am talking about is Chile's international relations - there I stay at the national level (...) The closer I get to the appropriate scale, the more efficient my decisions will be.'

(INT 7 – Academic, Santiago 2010)

This quote raises several points regarding Chile – although they are not exclusive to Chile. First of all, the fact that Chile is a long country – approximately 4300 kms long from north to south – encompassing a great geographical diversity, which leads to different issues within its territories – e.g. while the far north is a desert and the main issue is water supply for different activities, in the far south (Patagonia) there is plenty of water, but it is quite isolated from the rest of the world, therefore they face issues related to the high cost of living. Secondly, the response of the state so far has been centralised and universal – a set menu -, which has been proven not the most appropriate. Diversity requires specific answers regarding a particular reality; therefore, the interviewee explains that the central state could remain centralised if it was able to gather all data from every territory and respond to every issue 'a la carte'. However, this implies a huge central state, with lots of resources allocated to specific issues in order to devise particular responses to each region. As this practice is too expensive and cumbersome, decentralisation seems the best solution. Finally, he explains that decentralisation is simply to allocate decision-making to the right level, emphasising that decisions are more efficient when they are made at the appropriate scale. Clear examples of this are the protests in Magallanes Region in January 2011¹¹ and the movement in Aysén (Chapter IV Case Study) in February 2012. Public servants from both national and regional level are the greater supporters of this discourse.

¹¹ Demonstrations against the rising of natural gas prices.

Therefore, within the philosophical dimension, decentralisation is seen as a process that can be both a path to reach regional autonomy and increase democracy and as a tool to achieve regional development and to improve state response – an instrumentalist perspective. These streams are not separate, but mixed within actors' discourses; nor can they be associated simply with right or left wing trends, although there are some tendencies from the right towards the developmental stream and from the left towards the political stream. Even so, there is a fine line between both discourses and most interviewees mix them in their arguments pro-decentralisation. As Rodríguez-Pose and Sandall (2008) explained (see Chapter II Literature Review), there has been a switch from cultural and political discourses towards economic discourses, which explains why post Marxist arguments of the 1990s have given space to neoliberal arguments – such as new regionalism – in order to construct a new discourse in the 2000s. As Chile was returning to democracy after 17 years of dictatorship, in the 1990s the discourses towards decentralisation were driven by the increasing democracy – e.g. the decentralisation of local government, which are nowadays totally independent from the central state.

Political dimension: decisions

Discourses behind decentralisation show the philosophical background that supports the concept. The different interpretations that the actors involved make of these discourses shape decision-making, implementation and administration of reforms and policies towards decentralisation (see Fig 5-1). As a consequence, in Chile the political and technical dimensions are shaped by these four discourses, which do not seem to be tied to a specific goal. Actors within the political dimension are those who make decisions regarding strategies and policies' designs, while those in the technical dimension are in charge of their implementation and management.

SUBDERE is the driving agent behind the decentralisation process; it articulates both political and technical dimensions in order to reach greater decentralisation. In the last 20 years SUBDERE has created the regional governments, the regional councils and the FNDR. Despite all these efforts, some interviewees argue that there is no real political will toward decentralisation at the national level. On the one hand, not all ministries are in favour of decentralisation, therefore SUBDERE has had to negotiate with each one in order to earn their support, e.g. the transference of territorial planning from the Ministry of Housing and Urbanism took several years and at the end of the negotiations, SUBDERE obtained only half of what was originally sought. Also, national politicians see political

decentralisation as a threat to their own power positions; some parliamentarians are afraid of the competition arising from regional authorities elected by popular vote. The next quotes illustrates the matter.

‘Hay un tema de descentralización política, que es la que está menos clara. Quizás hay un avance en términos de descentralización de recursos fiscales, pero también en algunas cosas... Yo creo que no hay voluntad. O sea, está en el discurso, pero no se ve voluntad atrás. A nadie le gusta traspasar el poder, transferir poder (...) Yo veo que hay un discurso fuerte hacia la descentralización por parte del gobierno y a través de la SUBDERE. Y eso me parece que es una oportunidad, como que ahora están instalando un PGM de descentralización ... Yo creo que hay ciertas medidas, como que dan señales de que quieren avanzar en ese tema... Pero como te dije, son soluciones más bien administrativas (...) Yo creo que políticamente, la descentralización política no va. No hay voluntad de la DIPRES, no hay voluntad de los senadores... ’

‘There is an issue of political decentralisation, which is the less clear. Maybe there is some progress in terms of decentralisation of fiscal resources, but only in some things... I believe there is no will. I mean, it is in the discourse, but there is no will behind it. Nobody likes to pass power, to transfer power (...) I see a strong discourse from the government through SUBDERE. And that seems an opportunity to me, now that they are installing a PMG¹² for decentralisation... I believe there are some measures, some signals that show they want to move forward on this issue... But, as I told you, those are administrative solutions (...) I believe that politically, political decentralisation does not go. There is no will from DIPRES¹³, there is no will from senators... ’

(INT 24 – Public Servant, Tarapacá 2010)

Although the respondent recognised some efforts towards decentralisation, he was also very critical and explained that some of the steps that the central government was taking in order to promote decentralisation were in terms of administration and management rather than political. He blamed mainly Congress for its lack of will, explaining that even when it approved a law or reform, it was never the same as what the Executive had proposed in the first place.

¹² Program for management improvement (Programa de mejoramiento de la gestión)

¹³ DIPRES: Division of Budget (Division de presupuesto)

The decentralisation process in Chile is rooted in several contexts that go beyond the question to decentralise or recentralise. Chilean history has many examples of the tension between Santiago and the regions and the analysis of that tension depends mainly on the perspective actors have: what the country wants or does not want, what works or does not work are questions with different answers according to the point of view. Chilean culture reinforces the idea of the Portalian state: strong, vertical, hierarchical, conservative and centralist (See Chapter IV Case Study). The political context – with the different ideologies behind political parties – is also an important factor to take into account, especially when the issues discussed are somehow related to the dictatorship, such as changes in the Constitution, because there is still an emotional burden influencing actors (ibid). Also, the petty and self-interested politics, in which actors seek to keep their power and fulfil their personal agenda, cannot be put aside.

Decentralisation in Chile is conducted through legal reforms; however there is no national policy for decentralisation. The Constitution establishes that decentralisation is an ongoing process, but it does not establish towards what end. In addition, so far there is no political consensus regarding the level of decentralisation that the country wants to achieve. Therefore, the legal framework is being modified without clear goals; actors seem to improvise over the political conjuncture and their own understanding of the process, which leads to contradictory results. For instance, in 2007 Tarapacá Region was divided into two regions: Tarapacá and Arica-Parinacota. From a political point of view, the original region has lost strength and political weight, as it is more segmented and so with less capacity to raise demands. In the words of one interviewee *'80,000 people cannot compete against 7 millions'¹⁴*, which refers to the fact that regions have small populations compared to Santiago, so political efforts are usually allocated to the claims that Santiago raises. On the other hand, from an economic perspective, the original territory is receiving more money from the central level, as e.g. FNDR¹⁵ is apportioned equally to every region, so old Tarapacá was getting 1/13 from FNDR (13 regions), and now - being two regions – it is receiving 2/15 from FNDR (15 regions). However, to measure the degree of decentralisation through the amount of money that the central state allocates to each region is very limited; a clear goal is needed in order to develop more suitable strategies towards decentralisation and also in order to have more accurate results.

In the political sphere, SUBDERE works on several fronts or tasks: to keep the decentralising process on the agenda of the government in office, to negotiate the transference of competences from the central level to the regions, and to raise awareness of

¹⁴ '80,000 habitantes no pueden competir contra 7 millones' (INT 28, Political Apointee)

¹⁵ National fund for regional development

the importance of decentralisation reforms for their approval in Congress. Those three fronts are also entangled and highly dependent on the political conjuncture, which may tilt the balance from one side to another. In this scenario, decentralising decisions are made very slowly; it can take years before a policy is approved in Congress – e.g. the constitutional reform that allows the direct election of regional councillors took 7 years, although the whole process has taken longer. This specific issue was an initiative proposed in the middle of the 1990s – which also included the direct election of Intendentes, although that had to be dropped during the discussion in Congress – and currently is in the implementation stage. The first election of COREs by the citizenry should take place in November of 2013. The following quote summarises SUBDERE's work in the political sphere.

'La Subsecretaría lo que hace es que aporta y propone modificaciones legales en función de un modelo prediseñado o estimado que ha salido de los programas de gobierno de los presidentes (...) Dada la estructura política, lo que dice el Presidente tiene viabilidad de éxito – ahora, si nosotros podemos poner los temas antes de que sea presidente, bien – pero ir más allá de lo que es el programa de gobierno, que ya es grande, tiene poca viabilidad. Por qué? Porque hay estructuras que están asociadas al poder y a las que no necesariamente le gusta lo que dice el programa de gobierno (...) entonces, son procesos muy largos y de mucho cuestionamiento. Sobre todo, porque no hay un modelo ideal de 'hacia allá vamos', la Constitución no lo da.'

'What the Sub-secretariat does is make suggestions and proposes legal modifications according to a predesigned or estimated model that comes from the government's programme of the presidents (...) given our political structure, what the President says is likely to succeed – now, if we can put the topics before s/he is president, good – but going further than the government programme, which is already big, has little viability. Why? Because there are structures associated with power that do not necessarily like the government's programme (...) so, they are long processes, with a lot of questioning. Above all, because there is no ideal model saying 'we are going towards there', the Constitution does not give one.'

(INT 28 – Political appointee, Santiago 2010)

There are five points in this quote: SUBDERE works according to the government's programme, the support of the President is essential for success, SUBDERE seeks to influence the government's programme of candidates for President, there is resistance to

decentralisation from the power structures so decentralisation processes are long, and a national policy for decentralisation is needed.

As there is no political clarity about the decentralising stage that the country is aiming for, SUBDERE's work is based on two instruments: the government's programme of the President of the Republic and her/his speech on the 21st of May¹⁶. Being a branch of the Ministry of Domestic Affairs, SUBDERE is a state institution that serves the government in office, so it cannot do anything that has not been expressed by the government. For example, as the direct election of Intendentes and regional councillors was in the government's programme, SUBDERE worked on a legal proposal, which was sent to Congress; without that written desire, SUBDERE would not have been able to work on that topic. As the periods of government are shorter than the duration of legal reform processes – almost 20 years in this case –, SUBDERE needs the support of each new government in order to have continuity in its work. Following the example above, although the direct election of regional councillors was an initiative of the government of President Frei (1994-2000), the draft for the constitutional reform was submitted to Congress during the government of President Lagos (2000-2006) and it was approved during the government of President Bachelet (2006-2010). Thus, SUBDERE has to persuade the President in office in order to get support for the strategies designed, which implies the negotiation of those strategies and the development of specific policies. The results of the conversations with La Moneda¹⁷ are usually reflected in one of the two instruments mentioned above, which give the arguments SUBDERE needs to support its agency towards decentralising reforms. As SUBDERE cannot make decisions on its own, it takes very seriously its evangelising role to the whole spectrum of the political cast in order to keep decentralisation on the national agenda. Likewise, SUBDERE attempts to influence the candidates for President of the Republic before elections so that they include decentralisation issues in their proposals for the government's programme.

Negotiations with ministries are complex because even in the best case a minister will be in that position for only four years. Participants from SUBDERE pointed out that usually ministers do not want to take any important decision when they first come into office, arguing that they need time to settle in properly and to understand how that ministry works. Also, they explained, ministers are reluctant to take decisions when they are finishing their period, especially, if it is during an election year. The answer given to SUBDERE is usually that it is too late; they would not like to risk their reputation for last

¹⁶ Annual account from the President of the Republic to the country (see chapter IV Case Study)

¹⁷ La Moneda is the government house, located in Santiago (same as the Casa Rosada in Argentina, the White House in USA and Downing street in the UK)

minute decisions. In such cases SUBDERE has to wait for the new minister, which means a delay of a year, as the new minister will not take decisions at the beginning of his/her period. Therefore, SUBDERE has more or less three years at best to negotiate the transference of a specific function or competence from one ministry to the regional governments, as a change of authority in the middle of negotiations is always an opportunity to take a step back if the actors involved are not totally convinced. In the first stage of the creation of DIPLAD, the idea was to transfer competences from five institutions: Housing and Urbanism, Planning, Tourism, Labour and Agriculture. Of those, negotiations with Tourism and Agriculture failed; up to 2010 SUBDERE was still working with the Ministry of Labour without a final result; Planning transferred all competences after years of discussion; and, although with Housing and Urbanism negotiations were harder, at the end of two and half years one of the two functions that SUBDERE had requested was transferred.

SUBDERE has no power to deal directly with Congress so it has to ask La Moneda for support in this matter, which can be through changing the priority of the issues that are being discussed in Congress¹⁸ and/or negotiating with political parties in order to achieve consensus in the political arena. After the amendment of the Constitution (2009) allowing the direct election of COREs, the next step for SUBDERE was to prepare a draft of a law that specified the guidelines for its implementation – i.e. defining constituencies, number of COREs per constituency, election by political party or by name, etc. At the end of 2009, the coalition in power – Concertación – lost the presidential election for the first time in 20 years; therefore SUBDERE was facing the challenge of persuading the new coalition in power to continue with an initiative that came from its predecessor. Despite this, SUBDERE was in a favourable position regarding this particular issue: decentralisation was on the agenda of the new government and the Constitution had already been changed. Interviewees from SUBDERE explained that they were able to continue with the design of the draft while raising awareness of decentralisation process with the new officials. They were also gathering as many opinions as possible from Congress and political parties, so that once in the Congress, the approval process of the draft should not be too long. In his speech of May 21st in 2011, President Piñera undertook the submission of the draft to Congress before the independence festivities¹⁹ that year. With this announcement, La Moneda backed up SUBDERE's efforts and gave it the power to finalise the pre-

¹⁸ The President of the Republic has the power to prioritise issues for discussion in Congress; thus a draft of law can be labelled as 'low urgency', 'high urgency' or 'to vote on immediately'. Changing priority does not assure that the draft will be approved; however, allows the Executive to choose the best moment for discussion and/or vote, hence securing negotiation for further approval.

¹⁹ Chilean Independence day is September 18th

negotiation process; hence the draft was submitted on September 12th. Although it was labelled ‘low urgency’²⁰, SUBDERE hoped to get it approved before April 2012 in order to have the elections of regional councillors at the same time as the election of mayors and local councillors in October 2012. However, the student movement²¹ changed the agenda and the draft was not rated as ‘high urgency’²² until March 2012. The Chamber of Deputies approved it on January 22nd 2013, so it went to the Senate. In April that year, the President labelled it as ‘to vote on immediately’²³ in order to ensure its approval before the speech of May 21st - the last annual account of the current government -, so that it was important for them to show as many achievements as possible. Thanks to that, the law was finally approved on May 15th 2013, taking less than two years – one year and nine months. The agency of SUBDERE in this matter was essential in 2011 when asking the government to undertake this particular goal and in discussing the most sensitive issues with parliamentarians before the draft submission; the law was promulgated in June 2013²⁴.

Table 5-1: Strategic fronts of SUBDERE within the political dimension

FRONT/TASK	ACTORS	ACTIONS	RESULTS
Keep decentralisation in the political agenda	SUBDERE / La Moneda	Persuasion	Recognition of decentralisation in the government programme and discourses of 21 st May
Transference of competences	SUBDERE / Ministries	Negotiation	Definition of the terms for the transference of competences
Raising awareness of decentralisation	SUBDERE / Congress	Lobby	Modification of legal framework

The process of the direct election of regional councillors is a good example by which to show how SUBDERE acts as the driving agent behind decentralisation, using mainly three actions: persuasion, negotiation and lobbying. As Table 5-1²⁵ shows, each of the measures described above is associated with specific actors and actions; in its role as the driving agent of decentralisation within the state, SUBDERE seeks to influence decision makers in different ways in order to gain support and achieve the results needed. This leads to the question of who sets the agenda for decentralisation, SUBDERE or the government in office, taking into account that some reforms can take 20 or 30 years?

²⁰ ‘Urgencia simple’

²¹ During 2011 Chilean students demonstrated all over the country, demanding free and high quality education. The movement started a few years ago and it is still active, but 2011 was the threshold as it was strong enough to achieve the top position on the national political agenda.

²² ‘Urgencia Suma’

²³ ‘Discusión inmediata’

²⁴ See the summary of the approval process in appendix 2

²⁵ Source: author

The agenda for decentralisation is not totally settled, but an ongoing construction, which is being renegotiated and redefined according to both the political conjuncture and the ideology of the government in office. Therefore the agenda is the result of a two-way relationship between the government and SUBDERE; as reform processes are very long, SUBDERE keeps its own agenda, which is composed of a list of tasks allocated by previous governments. In order to continue with the work defined in the past, SUBDERE seeks to influence the new governments to get support for the strategies designed, which usually implies to adapt them and to develop new specific policies. However, in this ongoing construction, La Moneda holds the power. In the case that the government in office was against decentralisation, it could block SUBDERE's work by giving it different tasks. SUBDERE is the Sub-secretariat for Regional Development, which uses decentralisation as a strategy to develop the regions, but La Moneda could suggest another way to achieve it. Having a national policy for decentralisation would help SUBDERE to have more ground, as it would be the legal frame to support its actions regardless the government in office. Currently there is a trend towards decentralisation within the country; hence different governments have adopted decentralisation as a strategy to improve the situation in the regions, some of them very cautiously and others more daringly, depending on the actors involved. For this reason, participants from SUBDERE explained that they have to be flexible in order to modify their agenda regarding the requirements of the government in office. Interviewees explained that with politicians that are more familiar with the Spanish model, they work from the perspective of distribution of competences; on the contrary, with politicians closer to the unitary state, they use the French model from the perspective of the restructuration of the state. Thus SUBDERE secures support from politicians with different perspectives.

The regions have no real voice in the political sphere. Although in theory parliamentarians should speak for regions, most of them are not from the regions they represent (see Chapter IV Case Study). As centralism and paternalism are an inherited situation, there are no strong regional expressions of desire for decentralisation; although lately there have been some social movements around specific regional issues such as in Aysén (ibid). The following quote expresses the regional desire for more participation, as the interviewee does not believe in the top-down process.

'Los promotores de la descentralización debieran ser las regiones, no el centro. Ellos, por cultura, van a tender a aminorar los procesos descentralizadores.'

*'The promoters of decentralisation should be the regions, not the centre.
They, due to their culture, will tend to lessen decentralising processes.'*

(INT 11 – Public Servant, Tarapacá 2009)

There is consensus among regional actors that the central level is involved in regional matters, which could be considered good as the central level shows concern about regions and actually tries to do something. However, three problems arise: the delay of decentralising measures, the use of the centralist perspective in the design of solutions, and their homogeneous application to all the regions. This tactless approach to regions without taking into account their differences does not fully satisfy regional demands and leads to the conclusion that regional claims would be better channelled if the country adopts reforms transferring decision-making to that level. So far the main actors in this sphere are the central government and Congress with scarce or no participation of regional actors or civil society.

Technical dimension: actions

Once decisions have been made in the political sphere, these have to pass down to the technical dimension in order to be implemented. In the case of the example of regional councillors given above, once the law with the regulations for the election was approved, the agent in charge of its implementation was SERVEL²⁶, at the national level²⁷. In the case of the other reform - the creation of DIPLAD and the transfer of competence towards the regional governments – the actors involved are different, although again, the driving agent is SUBDERE.

There are three steps when implementing decentralising policies: passing decisions down, the preparation of the regions and the transference of functions, which will be fully unpacked in Chapter VI Empowerment of Regional Governments - Fig 5-2²⁸ shows the steps and actors involved in this dimension.

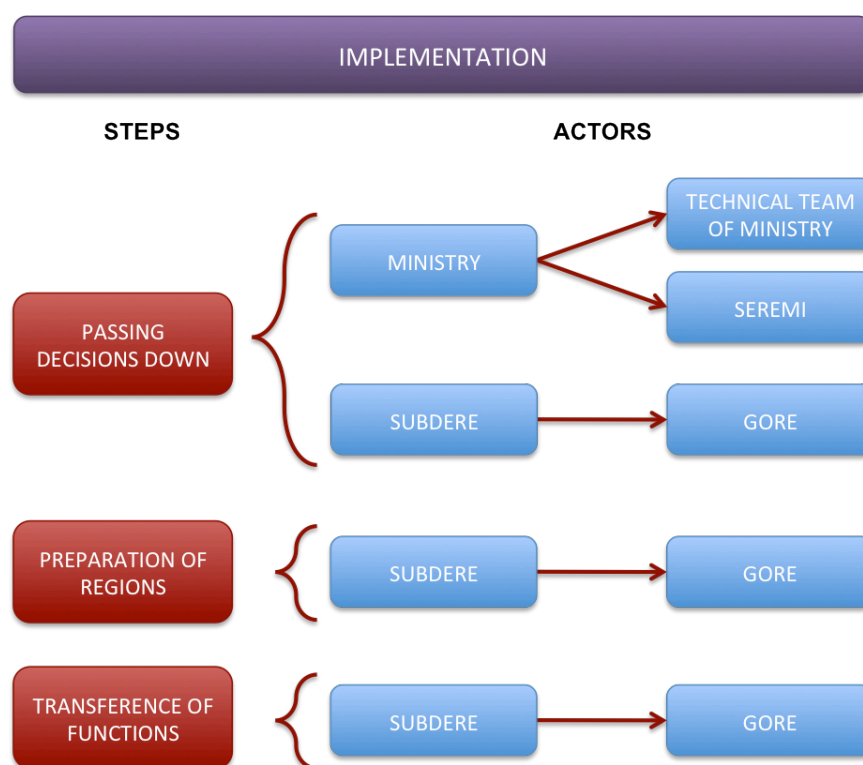
The key point from the above is how decisions are passed down from the political to the technical sphere because this will shape the way decentralisation will be materialised. Passing decisions down is related to the way decisions are communicated, which is influenced by the discourses analysed at the beginning of the chapter.

²⁶ Electoral Service

²⁷ This research did not follow further steps on the implementation of this reform because its approval in Congress was after the data collection; it was pointless to interview SERVEL's staff before that.

²⁸ Source: Author

Fig 5-2: : Steps of implementation within the technical dimension



The crucial issues are how actors are going to interpret decisions, how those decisions will be communicated and how they will be implemented. At central level there are two main actors: the ministries and SUBDERE; ministries because they have given up some competences and SUBDERE as the agent who will actively transfer those to the regional level. At the regional level there are two main actors: SEREMIs and GOREs, which are informed of the changes by the ministries and SUBDERE respectively. How ministries communicate the situation to the technical team at the central level and to SEREMIs at the regional level is not directly related to decentralisation, however it might affect the ambience within the regions. For instance, MINVU was not happy about the transfer of territorial planning to the regional governments – actually, it only transferred the regional planning and it refused to give up the intercommunal planning (PRI). The decision to transfer PRDUs was not communicated by the central level of MINVU as an opportunity for strengthening the plan, as having it located in GORE would be a way to facilitate their approval and further implementation. Instead the idea of transferring the planning competence towards GORE was interpreted as an impertinence of SUBDERE by the staff of MINVU, causing some resentment. One respondent²⁹ explained that at that

²⁹ INT 34 – Public Servant, Tarapacá 2009

moment GORE was doing a specific plan – the Coastal Border Land Use Plan – so when GORE shows its capability in making it, then they could think in asking for the PRDU.

Although at that time, legally, the PRDU was still part of MINVU, in practice SEREMI MINVUs were told to drop their work on that plan, as DIPLAD's personnel were already working on PROT³⁰. When the Head of DDU³¹ informed SEREMIs about the transfer of regional planning to GORE, he gave the impression that actually MINVU gave up PRDU³² because those plans were a 'hassle' for the ministry and they were not worth the trouble, moreover if they were just a guidance instrument, not regulatory such as the intercommunal planning.³³

'Desde el punto de vista de lo que nos ha informado el jefe de la DDU, no tiene ninguna importancia que se lleven el PRDU al GORE. De hecho el PRDU es indicativo. En lo personal no me molesta. El importante sí, es el intercomunal, que es normativo. Mientras el PRI siga siendo del MINVU está todo bien.'

'From what we have been informed by the Head of DDU it is not important that the PRDU is transferred to GORE. In fact, the PRDU is a guidance. Personally, it does not bother me. The important one is the intercommunal, which is regulatory. As long as the PRI belongs to MINVU everything is alright'

(Public Servant, Tarapacá 2008)³⁴

This interpretation of the process affected the relationship between SEREMI MINVU and GORE. On the one hand, the poor reputation of GOREs is reinforced, as the ministry gives them what is not important; and on the other hand, to pose the negotiation process as a 'fight' in which another institution was trying to take something from the ministry, gives the impression that SUBDERE and GORE are the 'enemies'. Both issues are elements that can delay and/or block interagency cooperation, thereby preventing the generation of synergies within the region³⁵.

Giving away some functions means that ministries need internal restructuring to adapt themselves to the new circumstances. SUBDERE does not intervene in this, because

³⁰ PROT is the new name of PRDU

³¹ Division of Urban Development, central level of MINVU

³² PRDU (Regional Plan for Urban Development) renamed as PROT (Regional Plan for Territorial Order), is a plan that gives guidelines for the use of the land. Is also known as the territorial expression of EDR (Strategy for Regional Development). As it is a guideline, it is not legally binding, therefore decisions could be made despite what the plan recommends.

³³ This information was giving to me off the record for a public servant of SEREMI MINVU, who a was unwilling to repeat it during the formal interview.

³⁴ Interview made during my master research. Public servant from SEREMI MINVU.

³⁵ This will be fully discussed in Chapter VI

it understands its role of empowering and helping regions to develop by supporting and strengthening the regional governments.

SUBDERE works directly with GOREs, it communicates and prepares regional governments for the new competences they are going to perform. Regional officials such as the Intendente and other headships of the Regional Governments - although political appointees - act as intermediaries, passing information from the central level to the technical personnel. They have had no participation in decision-making in the political dimension, therefore they just have a technical role in decentralising policies. However, they also act as filters through which decisions may change in emphasis or orientation. For example, with the creation of DIPLADs, some Intendentes – instead of seeing them as an opportunity to reach more autonomy – used them as tools to fulfil their specific agenda; therefore, at the outset of DIPLADs much of the effort was spent on gathering information to support the ideas or projects that the Intendente in office wanted to implement within the region. Although this can be seen as a certain degree of autonomy, actually there is a little margin for action and it did not truly affect the implementation of the new division. After the intervention of SUBDERE, the guidelines for DIPLAD were re-established. Therefore, the central level makes decisions, drawing boundaries within which regional actors can play, leaving little room to be creative.

SUBDERE also works directly with the technical teams of GOREs, which leads to the second and third steps in the fig 5-2 - to prepare regional governments to receive the competences that have been transferred and to start working on them. In this regard SUBDERE plays an important role informing and training staff in order to create capable teams. Thus SUBDERE organises meetings, workshops and training courses all over the country, gives guidelines, seeks internal or external advice and hires people with specific skills to improve the team when necessary. SUBDERE works from Santiago with a person in charge of each region, which means that s/he acts as a bridge between GORE and SUBDERE's decision-makers. These steps will be further explained in the next chapter.

MAIN DIFFICULTIES FACED BY CHILEAN POLITICAL DECENTRALISATION SO FAR

During the period of data collection (2009 – 2010) there was optimism amongst actors supporting decentralisation; for them Chile was facing a transition period from centralism towards decentralisation because there was discussion about the role of regional governments and the relations they should have with the central level and the

deconcentrated regional services. For example, Interviewee 15 (below) explained that regions usually depend on the good will of the government in office. For instance, during President Bachelet's government, the political decision that no sectoral investment should be done without at least informing the region involved was made; this was an important step towards including the regional government as a valid actor. *'This is the first time I feel that there truly is a process, there is absolute awareness in the head of the government'*³⁶ says the interviewee³⁷. The mood was high, mainly because the reform for the direct election of regional councillors had recently been approved (2009).

Despite the above, contradictory forces can be identified regarding decentralisation; while there are several examples supporting the idea of Chile moving towards greater decentralisation, there are also signs that show the reverse. For example, since 2009 any territorial plan made by the Regional Office of Housing and Urbanism must have the approval of the Ministry of Housing and Urbanism before it can be implemented. This clear step back in decision-making leads to questions of coordination between the actors involved, who leads the process and how much power the driving agent really has. SUBDERE can negotiate with the ministry about the transference of functions but is not allowed to interfere in the internal structure of them; therefore, on the one hand, it is a state institution working for decentralisation while, on the other hand, it shows signs of re-centralisation. These contradictory forces might be explained by the lack of clarity of the goals that Chilean decentralisation is pursuing, but also the specific political context should be taken into account. In the case of territorial planning, regarding the Ministry, the decision to step back to the central level was for three reasons: a) there were technical issues with some instruments, so that the national unit for territorial planning (from Division of Urban Development – MINVU) decided that it was better to check what regional offices were doing, b) there was an issue regarding a specific intercommunal plan that was in conflict with some interests at the central level, and c) the negotiation between MINVU and SUBDERE regarding the transference of territorial planning towards regional governments was in progress, therefore this might have influenced the decision to re-centralise decisions regarding those instruments³⁸. As a consequence, although the decentralising process seems to be irreversible, its intensity and speed is directly related to the government in office and political conjuncture.

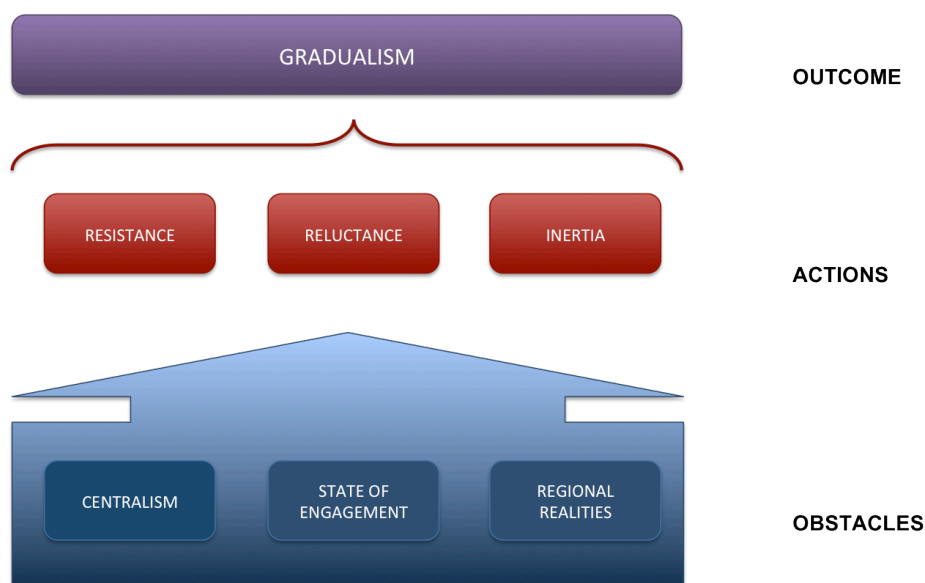
³⁶ 'Esta es la primera vez que siento que realmente hay un proceso, hay consciencia absoluta en la cabeza del gobierno'

³⁷ INT 15 – Political Appointee, Valparaíso 2009

³⁸ More details of this case will be given in chapter VII (Relationship between the regions and the central state).

As has been explained in the first section of this chapter, the Chilean decentralisation process is very slow – e.g. 20 years for the direct election of Regional Councillors. This gradualism – as is shown in Fig 5-3³⁹ – responds to three actions from the actors involved: resistance, reluctance and inertia. The latter are consequence of three aspects of Chilean political culture: centralism, state of engagement and regional realities. These obstacles, actions and outcome will now be discussed.

Fig 5-3: Difficulties faced in the Chilean process of decentralisation



Nowadays Regional governments have some functions and powers, but embedded in a centralist culture, which basically means that control remains in Santiago. As the Constitution defines the unitary character of the state, there is a great fear from many sectors of losing this national unity, which is the main argument made against decentralisation. However, a few interviewees – from Tarapacá and from SUBDERE - argue that this unitary character is fictitious, artificially created by the central state through education and history, to reinforce the value of national patriotic symbols. The fact that some interviewees from SUBDERE use this argument against the unitary state might mean that they are evaluating federalism as an option, even if they are not saying so officially. Despite this, most respondents – from both central and regional level - are convinced that the Chilean state should remain unitary and decentralisation should not endanger that.

Another sign of centralism is political appointees. Regionalisation (1974) was based on administrative and military criteria in which decisions were transferred to a single person's authority, one appointed by the central power in order to increase vertical control over the subnational level (Garretón, 1992). Therefore, at its conception, Regionalisation

³⁹ Source: author

was not designed to decentralise and give autonomy to the regions but to have better control over them; while appointed officials remain in the system, the regions will be subordinated to the central level. SUBDERE plays a significant role negotiating with politicians at the central level in order to change the law and have elected regional authorities. However, having still a great number of political appointees within the state – such as head of SEREMIs, head of Divisions, Intendentes and Governors – is an major obstacle to decentralisation and one of the reasons the regions do not pressure for greater autonomy.

A second situation to take into account is related to what is called the ‘State of Engagement’, which means that the government in office is trapped by coalition agreements. As there is no political party strong enough to be in power by itself, agreements are necessary in order to achieve power and then retain it. Above all, political parties create coalitions to win elections; in that context the coalition parties’ members negotiate over who will be the presidential candidate, the content of the programme of government, the parliamentary candidates, the membership of the cabinet of ministries and so on. Once in power, the coalition in office needs the support of Congress in order to make changes in the legal framework, such as changes in education or health national policies and to get the approval of the national budget every year. Therefore, the government negotiates with the opposition in order to have support in Congress; as usually this has roughly an equal split between parliamentarians from the two main coalitions, any change in the law has to be negotiated between the government and the opposition. As a result, governments are trapped by a network of agreements within their coalition and with the opposition, which prevents them from going further. Some interviewees argued that this gives more stability to the country; however, this also stops more radical changes. Thus, the power of the government is partial because its actions are limited by agreements and negotiations; power is therefore an illusion.

The third situation that can be an obstacle is related to regional realities: knowledge of the disparities, capacities and political identities of the regions is essential to understand the misgivings of the central level. Due to geographical diversity and the centralist culture, the regions present disparities regarding natural resources, population, investment and economic development. As a consequence, each region has a different degree of development and needs. Detractors argue that decentralisation can increase those regional disparities, especially, when the central level questions regional capacities. The centre’s mistrust of regional capacities is mainly rooted in the lack of competent professionals, which is related to the lack of critical mass of most regions. The regions cannot compete with the Metropolitan Region; therefore it is difficult for them to attract highly qualified

personnel from the rest of the country. Also, as Santiago has the biggest and most prestigious universities of the country; many students move there for higher education and many do not go back afterwards to their regions. As a result, the regions usually do not count on a wide range of professionals so their competence is mistrusted; moreover, when people from Santiago go to work in the regions, this increases an assumption of the low quality of regional professionals. This has led to the central level's general distrust of regional capacities, as is shown in the following quote.

'O sea, autoridades poco empoderadas, autoridades temerosas... y también un tema que tiene que ver con el capital humano, autoridades mediocres (...) a lo que voy es que yo creo que para que haya auténtica descentralización, los cambios culturales deben ir además de la mano del desarrollo del capital humano (...) Intendentes poco empoderados, Intendentes que no son capaces... por eso yo te digo que lo primero es que tú tienes autoridades que no son capaces de pararse de igual a igual a su contraparte. O sea, un Intendente en Chile no se para frente a un Ministro de Estado de igual a igual. No se para... y se supone que el Intendente es el representante del Presidente en la zona. Incluso en la escala de sueldo el Intendente gana lo mismo que un Ministro de Estado y que un Parlamentario. Pero por una cosa cultural, y también por una cosa de capacidades, que se nota cuando hay un Intendente... voy a poner el ejemplo de Jaime Tohá. Es un tipo que ha sido 2 o 3 veces Ministro de Estado, lo ponen de Intendente de la VIII... se nota el switch... tiene vínculo directo con los ministros, me entiendes?'

'So, underpowered officials, fearful officials ... and also an issue that is related to human capital, mediocre officials (...) My point is that I believe that to have genuine decentralisation, cultural changes must be down the path of development of human capital (...) underpowered Intendentes, incapable Intendentes... because of that I think the first thing is that you have officials that are not able to stand as an equal to his/her counterpart. An Intendente in Chile does not face a minister of the state as an equal. Does not ... and one presumes that the Intendente is the representative of the President in the region. Even his/her salary is the same as that of a minister of state and a parliamentarian. But due to a cultural issue, and also because capacity issues are what you notice when there is an Intendente ... I will use the example of Jaime Tohá. He is a guy who has been 2 or 3 times a minister of the state. When he was Intendente of the VIII⁴⁰ ... you can see the switch ... he has a direct link with the ministers, you understand me?

(INT 61 – National Politician, 2010)

⁴⁰ VIII Region of Bío-Bío

It is obvious from this quote that politicians have no faith in regional officials, when using strong words such as ‘fearful’, ‘incapable’ and ‘mediocre’ to describe them. This is due to the structure of regional governments with appointed personnel, who have to answer to the central level for their actions, and also because of a lack of self-confidence of regional officials. At the national level, most of ministers and other appointed officials come from the economic and political elites of the country, so they are used to dealing with the national and international leaders of their fields. For them, being in the government is another step in their careers and once they leave power, they will continue with their previous activities and the same standard of living. On the other hand, due to the lack of ‘human capital’, regions do not have the critical mass to produce politicians with high capacities - educational, financial and political -; as a consequence that regional officials often exhibit a lack of confidence when they face political officials and politicians at the central level. Top regional officials in general are people who have not had so much contact with the national elites and they have reached their positions due to political patronage. An example is that in practice the relationship between an Intendente and a Minister is unequal, even though both officials have the same grade, are appointed directly by the President and earn the same salary. Regional officials often adopt a submissive attitude of inferiority, which implies a bad start for negotiations. The interviewee used the example of Jaime Tohá, who was minister in the governments of President Aylwin (1990-1994) and President Frei (1994-2000), and later on was Intendente of the VIII Region of Bio-Bio. As Jaime Tohá had experience of being a minister, its achievements when he became Intendente of Bío-Bío region were remarkable, as he acted as an Intendente should; today Bío-Bío is the second most developed region after the Metropolitan Region.

Together with these two elements – regional disparities and (in)capacities – is the lack of regional political identity. Nowadays the regions are administrated by the political coalition in power at the central level. As political officials are appointees, there is no possibility for other political parties to have any representativeness in powerful positions with the sole exception of the Regional Council; regional councillors are elected by local councillors, who themselves are elected by the citizenry every four years. Therefore the Regional Council is the only institution that might reflect the political preferences of a region. However, as they are indirectly elected, people do not know them and do not identify with these politicians; moreover, some people do not know regional councillors exist. As a consequence, regional political desires are not necessarily represented by political officials, due to those officials being agents of the central government in office.

Because of the above, some interviewees – mainly politicians in favour of greater decentralisation - propose that the regions should have elected regional governments with a four-year government programme, the same as the national government. Then, they argue, the regions would have governments composed of the most popular party, there would be greater clarity of the path regional governments are following and also more accountability for their actions. An elected regional government would be empowered, able to generate proposals, and able to negotiate them with the central level. A regional government able to challenge the centre, having a voice (and using it) would make stronger regions that would be a different and better way to build the country together.

The above is very important taking into account the regional disparities that Chile presents – and as a consequence the range of needs and claims. Therefore while the regional actors do not take the leadership, there is little that they can do for decentralisation and the process will remain top-down; in other words, if regions do not find their voice, decentralisation will be based on centralist criteria.

The role of key actors is fundamental in policies' design and implementation. Jones et al (2004) argue that state personnel can increase the chances of success or failure of political projects regarding their individual skills and power context. In addition, their commitment to a specific policy should be taken into account. Regardless of the qualifications that a public servant might have, if s/he does not commit to a certain task – due to different beliefs, interests or just s/he does not think it is a good idea – that policy or task is unlikely to be successful. The beliefs and interests of the individuals involved on the project will affect the outcomes.

Three actions to block or slow down decentralisation have been identified in the figure 5-3: resistance, reluctance and inertia. Resistance refers to an open action against decentralisation, such as detractor discourses and rejection of decentralising reforms within the Congress. Reluctance applies when there is no faith in the action, so it is unwillingly done, without determination, e.g. someone who does the minimum, who is not proactive, or who adapts the new tasks to the same way s/he has worked over the last 20/30 years. And inertia is when the system operates as always regardless of the changes in the paradigm, e.g. presidential delegates, institutional habits and practices. These three situations can appear alone or combined, depending on specific contexts.

From a centralist perspective, there is resistance to give up power. Interviewees argue that there is no social mobility or equality of opportunities within Chilean society; therefore, power is reproduced by endogamy, which means the same elites (from Santiago) monopolise the political, economic and intellectual power. Those elites control the country, so they oppose decentralisation. For example, a great number of parliamentarians

who are representatives of regions are from Santiago and their knowledge of ‘their’ regions is partial, almost anecdotal; therefore, a centralist vision predominates within Congress. ‘*There is no vision to oppose the centralist vision*’⁴¹ said a deputy. For parliamentarians the election of regional officials is a threat because those officials could rise as potential competitors in future parliamentary elections, and because it is likely that an elected regional authority would hold the same political weight as a parliamentarian – of course, depending on the number of votes -, so s/he could pressure those parliamentarians to vote or stand for things against their own interests, such as a change in the centralist paradigm of the Congress.

The same situation – fear of losing power - is pointed out by interviewees from DIPLAD, who identify two main obstacles to greater decentralisation in this regard: public servants are not used to working coordinately in inter-sectoral round tables and they do not want to lose power over some decision-making, which underpins the resistance of some public servants to the changes proposed by SUBDERE. An example to illustrate this is the case of the former PRDU, today PROT⁴². Decisions related to the PRDU were made within the SEREMI MINVU⁴³, despite the plan affecting the whole region; in some cases inter-sectoral round tables were implemented in order to have a holistic vision of the region. The problem with this - and one of the reasons for the transfer of the plan - is that sectoral institutions cannot summon each other; they can only invite each other to participate in a round table, which mean institutions can decline. As a consequence, at the design stage, when decisions were made without the participation of some institutions - e.g. CONAMA⁴⁴ - it could happen that areas that should be protected were assigned to other uses, as the institution that hold the information of those areas is CONAMA. Thus, the lack of participation of institutions during the design stage could cause mistakes or disagreements regarding the use of some areas. Problems emerged during the approval stage, in which most of PRDUs got stuck, as the institutions have the obligation to express their consent to the plan. Therefore, after designing PRDU, MINVU usually have to negotiate with each one of the institutions in order to get their approval, despite those institutions had had the opportunity to participate in the design of the plan. In order to avoid the sometimes endless one-by-one negotiations between SEREMI MINVU and the other public services, the plan was transferred to the Regional Government, which hierarchically has the power to summon all regional institutions to round tables. Therefore

⁴¹ ‘No hay una visión que se contraponga a la visión central’ (INT 62)

⁴² The PRDU, Regional Plan for Urban Development, was designed and implemented by the Department of Urbanism and Infrastructure of SEREMI MINVU. The plan was transferred to DIPLAD in the Regional Government and its name was changed to PROT, Regional Plan of Territorial Order.

⁴³ Regional branch of Ministry of Housing and Urbanism

⁴⁴ Regional branch of Ministry of Environment

they can make collective agreements at the design stage of the plan and thus avoid the problems within the approval system. This example shows some of the difficulties of working with round tables, because public servants are not used to being summoned by colleagues from other institutions. On the other hand, in a one-by-one negotiation public servants from other institutions might have a better chance to keep their point of view than in open round tables. For them it was more comfortable to keep decisions centralised because that way they can still have some power in sectoral decision-making, while having to coordinate and negotiate those decisions at round tables might be considered as losing power. So that, according to interviewees from DIPLAD, many public servants from the deconcentrated branches of ministries block/resist decentralisation.

Interviews with people from the central level illustrate the reluctance that most of them have towards decentralisation. What is interesting is that their opposition is not against the concept, but based on their conviction that regions are not ready to be autonomous. For instance, one interviewee pointed out that due to ministries having different degrees of decentralisation, it is not easy to coordinate integral planning.

‘Nosotros vemos que son muy pocas las regiones que tienen equipos técnicos que se puedan manejar con autonomía técnica, por decirlo así... Y vemos que los planes reguladores siguen teniendo errores, a pesar de que nosotros hacemos instructivos permanentemente... Malas interpretaciones, las que están más atrasadas, o que no le llega la información a las personas que están trabajando directamente en eso... O sea, hay mucho que hacer en lo que tiene que ver con el apoyo técnico a las regiones.’

‘We see that there are very few regions that have technical teams that can work autonomously, so to say... We see that regulatory plans continue to contain errors, in spite of us issuing guidelines continuously. Wrong interpretations from the most backward or where the information does not reach those who are working directly on that. So, there is much to be done in what concerns technical support for the regions.’

(INT 58 – Public Servant, Santiago 2010)

The quote above shows the concern of public servants from the national level over regional capacities and also their willingness to help, which is consistent with our paternalist culture. Although there is goodwill towards regional personnel, these practices slow down decentralisation processes. However, it is important to take into account that

more and continuous training should be offered to regional personnel, as some SEREMIs have a high turnover of personnel.

Finally, inertia refers to continuities with the same centralist practices despite a change of paradigm towards decentralisation. An example of this is the way that SUBDERE is leading the process; one of the respondents related how SUBDERE has operated regarding the creation of DIPLADs and the transfer of planning policies to the regional governments.

‘Entonces la SUBDERE contrató un estudio con de la CEPAL, donde trabajó un listado de expertos para ver hacia donde debería apuntar la tarea de la planificación territorial en los Gobiernos Regionales. Dentro de los expertos estaba yo. Después de muchas reuniones, conferencias telefónicas, discusiones, etc, hay un documento que está dando vueltas, un documento complejo y que tiene de todo (...) Finalmente, el documento es bien intencionado, pero es una ensalada. Ahora, la SUBDERE, que necesita copar lo antes posible este espacio que se le abrió, quisiera transformar ese documento en un reglamento. Eso es lo que me pone nervioso porque cuando eso ocurra, una vez más en Chile es el nivel central el que decide como, en que condiciones y con que estructura se debe elaborar un IPT, en este caso PROT (...) Entonces se corre el riesgo de caer en lo mismo de siempre, que el “clarividente” nivel central - en este caso, a través de la SUBDERE - decide cual es la metodología que se debe seguir para que funcione esta división y para elaborar estos instrumentos.’

‘SUBDERE hired a study with CEPAL, in which several experts worked in order to identify to where should point the territorial planning within the Regional Governments. I was among those experts. After many meetings, phone conferences, discussions, etc. there is a document going around, a complex document that has a bit of everything (...) Finally, it is a well intentioned document, but it is a salad. Now, SUBDERE, which needs to fill the space that has been opened as soon as possible, wants to transform that document into a set of regulations. That’s what makes me nervous because when that happens, once more in Chile it is the central level who decides how, in what conditions and with which structure an IPT has to be designed (...) therefore, there is a risk to fall into the same old thing: the ‘clairvoyant’ central level – in this case, though SUBDERE -, decides what is the methodology to follow in order for this Division to work and to design these instruments.’

(INT 7 – Academic, Santiago 2010)

The interviewee stated that those are well intentioned actions from SUBDERE and the central body towards decentralisation, but from his point of view are being implemented wrongly. Thus, the inertia of the system infects even those institutions charged with changing it through decentralisation.

The Chilean situation – centralism, state of engagement and regional realities – plus the actions or inaction against decentralisation – resistance, reluctance and inertia - explain the gradualness of Chilean decentralisation. Respondents from all groups agree that the decentralisation process has been implemented gradually in order to allow the state to adapt to the changes. This is related to the dialectic hollowing out of the state and filling in of regional governments, in which the former refers to the transfer of functions from the national level to subnational levels, and the latter also involves the period of transition or adaptation of regional governments to the new reality. Thus the existing structure can be re-configured and new working cultures developed, having as a result the strengthening of those subnational levels to which functions were transferred (Shaw and MacKinnon, 2011). However, so far what happens in Chilean decentralisation is that the transfer of functions from the central to the regional level – i.e. the hollowing out of the central state – has been only partial, as SUBDERE still has control over the regional governments. Thus, the transfer has been done from regional sectoral institutions to a regional institution with a holistic perspective, but still tied to the central level. Interviewees that are supporters of greater decentralisation argue that this gradualism has been excessive, holding the political elites' conservatism represented in the Congress responsible; they also assert that although the decentralisation process is slow, it is also irreversible. Interviewees argue that although there is a political discourse toward decentralisation, regionalisation, transfer of competences and autonomy for regions, there is no real will towards decentralisation within the Congress, resulting in the slow approval and application of decentralising reforms during the four governments of the Concertación (1990-2010)

CONCLUSIONS

This chapter has broadly discussed the Chilean decentralisation process, relating it to three dimensions: philosophical, political and technical. It addresses different practices within the state apparatus in order to give a better understanding of how policies are designed and implemented. Actors and interpretations are also fundamental in the decision-making and implementation of decentralisation, in which SUBDERE seems to be the main actor, as driving agent of the process both in the political and the technical spheres. Decentralisation in Chile is being made step by step without a clear goal in mind,

although SUBDERE seeks to create a national policy for decentralisation in order to have a better defined path.

Decentralisation is understood as an ongoing top-down process, whose emphasis depends on the will of the presiding government and Congress, the practices of public servants and the inherited centralised structure of the state. Interviewees highlight the fact that over the last 20 years, decentralisation has been part of the political discourse of every government; however, they have not acted with the same strength to implement decentralising policies. For instance, President Bachelet's government focused their efforts on political decentralisation more than the former government of President Lagos; so far the current government (2010-2014) appears to have changed the emphasis from regional to local decentralisation, whilst strengthening the sectors and increasing verticality at the regional level.

Most of the interviewees agree that the implementation of political decentralisation in Chile is confusing and tangled. Nowadays, Chile is immersed in a transitional period discussing how to organise the regional governments, which is positive because it permits greater inclusivity. It is not something imposed by the central body; SUBDERE's initiative inviting regional actors to participate in workshops and round tables about decentralisation is an example of this. The question is how willing SUBDERE is to incorporate ideas that differ from its own strategies or agenda. Nevertheless, the fact that it is opening spaces for discussion is positive and gives regional actors the opportunity to generate synergies that might result in greater bottom-up demands and, therefore, a more nimble response from the central level, particularly from the Congress.

CHAPTER VI

THE EMPOWERMENT OF REGIONAL GOVERNMENTS

INTRODUCTION

This chapter seeks to respond to the second question of this research, which is to what extent the regional governments are being empowered by the reforms of 2005 and 2009. In other words, it is concerned with the impact of those reforms on the decentralising process in Chile. The first one (2005) created the Division of Planning and Development (DIPLAD) within the Regional Governments, while the second (2009) refers to the direct election of the regional councillors and their nomination of the Head of Regional Council from among them.

The chapter has been divided into four sections. The first section focuses on the desired outcomes of the reforms and relates them to the discourses identified in Chapter V. The section poses that the creation of DIPLADs is related to both the regional development and the state response discourses, while the direct election of the regional councillors is driven by regional autonomy and greater democracy discourses. The desired outcomes of the reforms are identified as the autonomy of the Regional Council from the Intendente and the change of the gravitational centre within the region.

The second section analyses the role of individuals in the construction and outcomes of policies, in other words, how policies created and designed in the capital are received and implemented in the regions. The third section refers to the implementation of DIPLADs in the Valparaíso and Tarapacá regions, discussing the three main steps to do that: passing decisions down, the preparation of the regions and the transfer of functions.

The fourth section addresses the positionality of DIPLAD within GOREs, and within the region, the latter mainly related to the relations of GOREs with SEREMIs. The personnel of DIPLAD faced the challenge of earning credibility within the Regional Government, in which the existing personnel viewed the arrival of this new division with misgiving. Secondly, DIPLAD as part of GORE had to position itself in the regional scenario not only as a valid and capable actor, but also as the leader of strategic and territorial planning.

DESIRED OUTCOMES OF THE REFORMS

This section discusses the outcomes expected from the implementation of the proposed reforms (see Chapter IV) to empower the regional governments. With the direct election of regional councillors, SUBDERE seeks the total autonomy of CORE from the Intendente. Meanwhile, with the creation of the Division for Planning and Development (DIPLAD) and the transference of competences, SUBDERE seeks to change the regional

gravitational centre to GORE. These reforms are political decisions – made at the national level – that have been framed by the developmental and political streams that support decentralisation; in other words, they are the practical expression of the philosophical discourses analysed in Chapter V (Shaping Political Decentralisation).

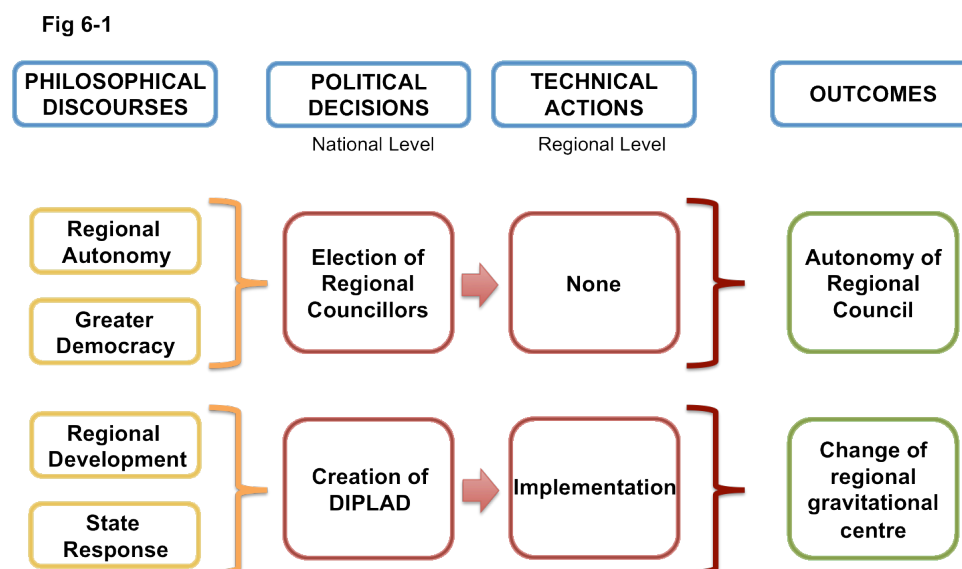


Figure 6-1¹ shows how these reforms are related to the three dimensions – philosophical, political and technical – described in Chapter V. The direct election of regional councillors is related to the political stream of decentralisation: regional autonomy and greater democracy, while DIPLAD is associated with the developmental stream: regional development and the state response. In the technical dimension, the figure shows no action for the election of regional councillors at the regional level, as all the steps regarding that reform have been done at the central level². Finally, the figure shows the outcomes expected from both reforms. As the election of regional councillors has not happened yet, it is not possible to assess its success; however, the disposition of the actors involved in the process can give some hints of the scope of this reform regarding the decentralisation process. Similarly, it is too soon to make a proper assessment of DIPLADs, as the information for this thesis was gathered in 2009 - 2010, when the new division had been working for only three years. However, it is possible to reach early conclusions about the process so far.

The Regional Council

¹ Source: author

² The proposal and the draft of the law was made at the central level, as well as its approval (political dimension) further steps towards the implementation of the elections are also located at the central level within the Electoral Service. See Chapter V.

The direct election of regional councillors is a consequence of the political streams towards decentralisation and seeks to increase regional autonomy and democracy. The next quote is a good example of the issues related to these two elements within the regional government.

‘El modelo de descentralización que estamos siguiendo en Chile es el modelo de la descentralización administrativa. Así lo establece el Art 3° de la Constitución. Ahora, en el nivel del que estamos hablando no se cumplen todos los requisitos de esa descentralización (...) Por ejemplo, no se cumple que las autoridades sean elegidas democráticamente – estamos hablando de los Consejeros Regionales y del Presidente del Consejo. No se cumple eso. En la experiencia comparada se cumple: en Francia se cumple, en Perú se cumple, en Bolivia se cumple (...) En todas las otras experiencias comparadas se dividen las competencias de gobierno interior con las competencias de administración regional... Porque, lógicamente, uno de los conceptos importantes es que ese órgano sea independiente del poder central. Entonces resulta que con un Presidente³ que es representante del Presidente de la República no puede ser. Y ese es el problema que tenemos (...) y bueno, habría que agregarle otros elementos, que son los elementos de la participación, que no habría que dejarlos de lado. Porque efectivamente son principios básicos del mismo diseño institucional que tenemos. El Art 14 establece que uno de los principios de la descentralización regional es la participación ciudadana. Cosa que es el principio más debilitado que tiene la Ley Orgánica. O sea, de eso no hay. No hay plebiscito, no hay consulta, no hay elecciones, no hay derecho a audiencia, no hay presupuestos participativos... no hay nada. ’

‘The model of decentralisation that we are following in Chile is the administrative decentralisation model, that is established in the 3rd Article of the Constitution. Now, at the level we are talking, not all of the requirements of that decentralisation are met (...) For example, officials are not democratically elected – we are talking about regional councillors and the Head of the Regional Council. That does not happen. In comparative experiences it happens: in France it happens, in Peru it happens, in Bolivia it happens, in Colombia (...) In all comparative experiences the competences of domestic affairs are divided from the competences of regional administration... Because, logically, one of the important concepts is that this entity is independent from the central power. So, with a Head

³ Presidente del Consejo Regional

who is representative of the President of the Republic this cannot be. And that is the problem we have (...) And well, we would have to add other elements, which are the elements related to participation – which we shouldn't put aside, because those are essential principles of our institutional design. The 14th Article establishes that one of the principles of regional decentralisation is citizen participation, which is the weakest principle of the Organic Law⁴. That is to say, there is nothing of that. There is no referendum, there is no public consultation, there are no elections, there is no right of audience, there is no participatory budget, there is nothing.'

(INT 17 – Regional Politician, Valparaíso 2010)

The quote above describes the situation of the Regional Council before the 2009 reform - although at that moment (2010) the Constitution had been recently amended regarding the election of regional councillors, there were no further steps yet (see Chapter V) - and it highlights three elements that concern the interviewee: democracy, the autonomy of the regional council and citizen participation. He expresses these concerns in aspects such as the nil participation of the citizenry in elections and decision-making, regional officials not being elected and the merging of administrative and government functions within the regional government.

The reform of 2009 addresses two of these concerns, the democratic character of the Regional Council and its autonomy. In other words, it changes both the form of election of regional councillors – to be by popular vote - and the fact that the Intendente will not be the Head of the Council. The method to elect the regional councillors before the reform was not truly democratic as in practice it was the result of political quotas. Although they were formally elected by the local councillors, actually they were chosen on the basis of cronyism, politics or patronage. Therefore, currently regional councillors are not representative of the citizenry or the territories that indirectly choose them as they should be; the citizenry has no real participation in their election. Having direct elections can ensure the representativeness, legitimacy and validation of the Regional Council (Eaton 2004), which will empower it; it should develop a more balanced relationship between the Regional Council (CORE) and both the Intendente and the central government. Thus the Regional Council would reflect for the first time the political identity of its region⁵. SUBDERE's original proposal also included the direct election of the Intendentes, as the

⁴ Ley Orgánica Constitucional sobre Gobiernos y Administración Regional o Ley 19175/ Constitutional Organic Law of Regional Government and Administration or Law 19175

⁵ See Chapter V Shaping Political Decentralisation

election of subnational authorities is a fundamental step towards regional autonomy (Rodríguez-Pose and Bwire, 2003); however, that initiative did not gain support within Congress. This raised the question of what kind of state Chile wants and, again, the discussion between federalism and the unitary state divided opinions in the political sphere. SUBDERE dropped the point from the reform and highlighted that what was imperative was the need to separate the functions of the Intendente from those of the Head of the Regional Council.

Currently, the Intendente is the Head of the Regional Council. He sets the agenda of the Council and has a casting vote when it is a draw among the regional councillors⁶. As the Intendente is appointed by the President of the Republic, there is scarce room for the regional councillors to act freely; they are tied to the will of the Intendente and, therefore, of the central government. To avoid the conflict between national and regional interests within CORE, the reform establishes that the Head of the Council will be the regional councillors with the most votes⁷. This way, the Regional Council should be totally independent of the central level; that is to say, the central government will not be able to interfere in CORE's agenda. Also, the political parties' intervention should be limited to the same degree of influence that they might have over any other democratically elected politician.

The proposal has three elements: territorial basis, number of Regional Councillors per region and electoral lists. Firstly, territorial basis: electoral districts for regional councillors are different from those of mayors or deputies – i.e. there are different constituencies for mayors⁸, deputies and regional councillors. This is because there is a need to give regional councillors a more regional character - so far they are only representatives of the local councillors who elect them⁹. In the case of deputies, it is so as to have a different electoral universe so that COREs are not a threat to deputies. Secondly, it was a presidential commitment in order to keep the same number of regional councillors per region, which was fulfilled. And thirdly, the discussion was around whether to have a locked or unlocked list. RN¹⁰ wanted a locked list, which means people would vote for a political party; however, the idea that prevailed was of the unlocked list because Chileans are used to vote for a person and that way the regional councillors would be more representative of the citizen's voice.

⁶ see Chapter IV Case Study

⁷ Law 19175

⁸ Head of communes

⁹ Local councillors are members of the Communal Council

¹⁰ National Renovation (Renovación Nacional), one of the parties of the government coalitions and the party of the President Piñera

One important issue that has arisen in the debate is the threat that the direct election of regional authorities may be for parliamentarians; many of the interviewees highlighted this topic as a main concern. SUBDERE, however, holds a different point of view: those kinds of arguments are just an excuse to prevent further decentralisation processes simply because politicians do not want to lose power. A regional councillor directly elected by the citizenry might have the same political weight as a deputy. Also, being known by citizens, people should go to their regional councillors - instead of to their parliamentarians – with their problems and demands. In general the response to this reform has been positive; most of the interviewees agree that it is a great improvement toward democracy, transparency and accountability. The reaction of regional councillors to this reform is also quite positive, as they think it is the way to empower the Regional Council. However, SUBDERE also warns that the current regional councillors will be the most affected, because they have to adapt to the new system.

The reform is far from solving all the issues related to regional autonomy and democracy discussed in Chapter V, but it is a step; it certainly addresses these two elements in order to strengthen COREs, validating their existence as the voices of their regions and representing their political identity. Although the autonomy of the Regional Council is an important step towards decentralisation, some important issues have not been considered in this reform, such as the fact that regional councillors are not full time positions. This is an important issue as it has consequences over their performance. The salary of the regional councillors is around 625 pounds per month –paid only if they attend the meetings¹¹ - so that most of them have other jobs. The following quote, illustrates this.

‘Entonces, no es cuestionable que nadie se dedique a esto. Esto es casi un hobby. Todos tienen su trabajo y vienen acá en su tiempo libre (...) entonces nadie profundiza nada, hay poco seguimiento de los proyectos, no hay un consejero que lidere algo (...) debiera haber un nivel de negociación pero no existe. Por qué? Porque cada consejero anda en la de ellos (...) Nos encontramos en la sala de reuniones cuando hay proyectos que nos compete ver, pero no tenemos ningún tipo de relación (...) La capacidad de los consejeros actuales, entre los cuales yo me incluyo, está lejos de lo que se debiera esperar de un Consejo, de la toma de decisiones que tiene. La mitad de ellos obedecen a partidos políticos. O sea todos son pertenecientes a partidos políticos, pero la mitad de ellos votan esperando cual es el elemento político de donde vienen los proyectos (...) Por ejemplo, los

¹¹ The councillors are paid for their attendance of to the meetings of the Regional Council. The law does not require anything else in order to pay them.

consejeros de la UDI aprueban cualquier cosa que venga de la IMI¹² porque la alcaldesa también es UDI'

'So it is not questionable that nobody is dedicated to this. This is almost a hobby. Everyone has their work and they come here in their free time (...) so nobody goes deeply into anything, there is little follow-up of projects, there is no councillor that leads something (...) there should be a level of negotiation but it does not exist. Why? Because each councillor is concerned about their own business (...) We see each other when there are projects we have to analyse, but we do not have any kind of relationship (...) The capacity of the current regional councillors, among whom I include myself, are far from what they should be. Half of them obey political parties, I mean, all of us belong to political parties, but half of them vote regarding the political source of each project (...) for example, councillors from the UDI approve everything that comes from the municipality of Iquique because the mayor is also from the UDI.'

(INT 13 – Regional Politician, Tarapacá 2010)

The absence of exclusive dedication to the work of a regional councillor dilutes the effort that they could make for the region, which has had as a direct consequence, a weak Regional Council in comparison with the Intendente and all the technical and administrative body that supports him. Negotiations with the Intendente are not impossible but difficult, as many times regional councillors lack the knowledge or skills to understand certain projects. This also results in the low reputation that regional councillors have within the region among public servants and institutions; however, it is pointless to blame the councillors, as they are only paid for the number of official meetings they attend (those called by the Intendente). If regional councillors were full time positions, they could be blamed for their lack of knowledge they have, as they should be using their time to really understand the projects they are approving.

Therefore the natural questions around CORE are not only about having elected members known to the citizenry, but also how the regional institutionality has been constructed and how it can be improved in order to make it more democratic and efficient. The Regional Councils should be the core of the regional political body, supported by DIPLAD as a technical body; however, nowadays that is not possible, as CORE seems to be an isolated institution both within the Regional government and within the region.

¹² IMI: Ilustre Municipalidad de Iquique

Division of Planning and Development (DIPLAD)

The creation of DIPLAD is related to the developmental stream of decentralisation - regional development and state response - as was pointed out in Fig 6-1. All groups of respondents express support for the new Division; however, there is also apprehension about the possible outcomes. The essential goal of DIPLAD is to become the brain of regional governments, generating strategic plans in order to guide public management and to promote regional development, as illustrated in the following quote.

‘A donde deberíamos ir, lo dicen todos los documentos de transferencia, fundamentalmente en como es posible generar un sistema de planificación, con instrumentos de planificación que permitan orientar de mejor forma la gestión pública y la inversión. Y, al mismo tiempo, cuando ya esté en su plena madurez, pueda desarrollar buenos análisis de la región y pueda manejar buenos sistemas de información con respecto a la región (...) Ahora, en concreto la División de Planificación debiera , a mi juicio, apoyar al Gobierno Regional, es decir al Consejo Regional y al Intendente, en la planificación del desarrollo - fundamentalmente elaborando instrumentos de planificación y tratando de ayudar a la implementación de ellos -, y teniendo buenos sistemas de análisis y de información para el desarrollo.’

‘Where we should go fundamentally as said in all the transfer documents, is how is it possible to generate a planning system, with planning instruments that allow public management and investment to be directed in a better way. And, at the same time, when it is fully mature, it can develop good regional analyses and manage good information systems regarding the region (...) Now, from my point of view, the Planning Division should support the Regional Government, that is to say the Regional Council and the Intendente, in development planning – fundamentally elaborating planning instruments and trying to help their implementation -, and having good systems of analysis and of information for development ’

(INT 20 – Political Appointee, Valparaíso 2010)

Respondents also emphasise that DIPLAD might improve the efficiency of the state in the management of the region and that planning functions are better in the Regional Government than in sectors. Before the creation of DIPLAD the function of strategic

planning was based in SEREMI MINVU¹³ and SERPLAC¹⁴, which designed the PRDU and EDR respectively. Those plans needed to be approved by the regional government before they could come into force. The approval process became so cumbersome that it was actually longer than the making-process of the plans; besides, once approved, their impact was limited as they were already outdated and because they were made from a sectoral perspective. Transferring both plans to the regional governments seeks to solve those problems; making the plans within the Regional Government (GORE) should secure faster approval, as the regional councillors can be involved in the making-process from the beginning. Also, a plan developed in the regional government has the hallmark of the Intendente, therefore - due to the regional structure of the state - SEREMIs should align with it and follow its guidelines when making their own sectoral decisions¹⁵.

There is nothing new in EDR or PROT¹⁶ but the change of the institution charged with making them. This reform aims to reorganise strategically some functions among regional institutions (see Eaton, 2004). As SEREMIs are concerned only about their sector, their point of view is partial, while the regional government has a more integral and holistic perspective. Also, transferring these functions from deconcentrated branches of the ministries to GORE is an opportunity for the regions to develop their own strategic planning. Although its autonomy is questionable - due to the appointed Intendente and the influence of SUBDERE over regional governments – DIPLAD helps to strengthen regional government in order to coordinate SEREMIs generating synergies among them, and therefore, developing better responses to regional needs.

Thus, the transference of competences from the sectors to DIPLAD strengthens regional governments; it gives them more political weight within the region as GORE is making the regional strategic decisions¹⁷.

Figure 6-2¹⁸ pictures the transference of Regional Plan of Urban Development (PRDU) and Strategy for Regional Development (EDR) to the Regional Government. On the surface this might be interpreted as a concentration of competence within GORE, as these functions were located in two different regional institutions. However, it is essential to take into account that in the Chilean state' structure SEREMI MINVU and SERPLAC are not autonomous but highly dependent on their ministries at the central level; so they

¹³ Regional Office of the Ministry of Housing and Urbanism and the Regional Office of the Ministry of Planning

¹⁴ PRDU: Regional Plan of Urban Development and EDR: Strategy for Regional Development

¹⁵ EDR and PROT are both not mandatory, but guidelines. There is no legal bond to them.

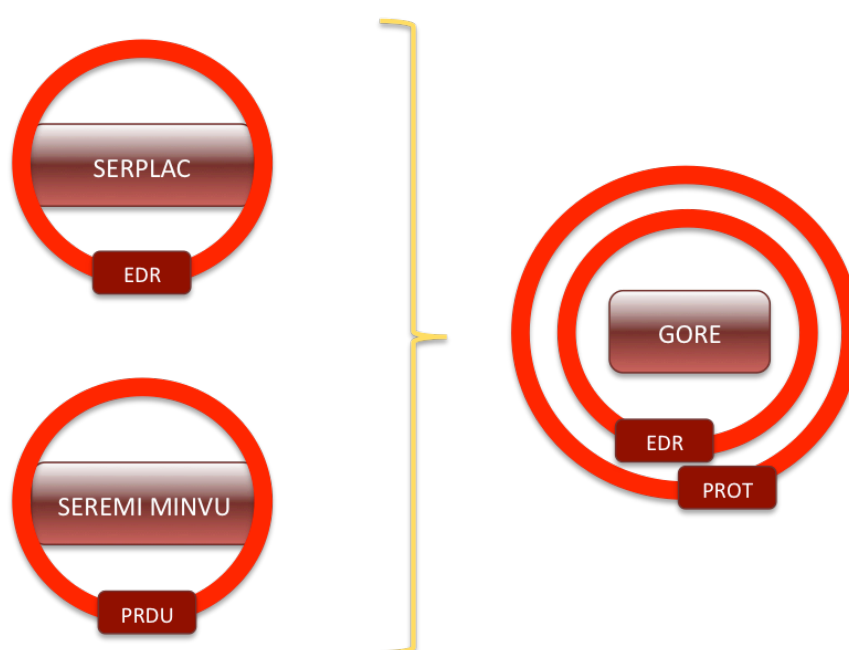
¹⁶ New name of PRDU, it means Regional Plan of Territorial Order

¹⁷ Rodríguez-Pose and Bwire, 2003, Montecinos 2005 discussed the importance of the transfer of power and resources towards subnational governments

¹⁸ Source: author

not only have a sectoral perspective but also a centralist guidance in all their actions and decisions (see Chapter VII). In other words, the central level institutions interfere in regional affairs through their regional offices, which resemble the tentacles of an octopus. However, the transfer of functions from deconcentrated institutions to GORE on the regional chessboard gives it more weight and allows it to be the centre of strategic planning, displacing SERPLAC and SEREMI MINVU. This is an important step in order to strengthen the regional governments and place them in a better position within the regional arena.

Fig 6-2: Change of regional gravitational centre

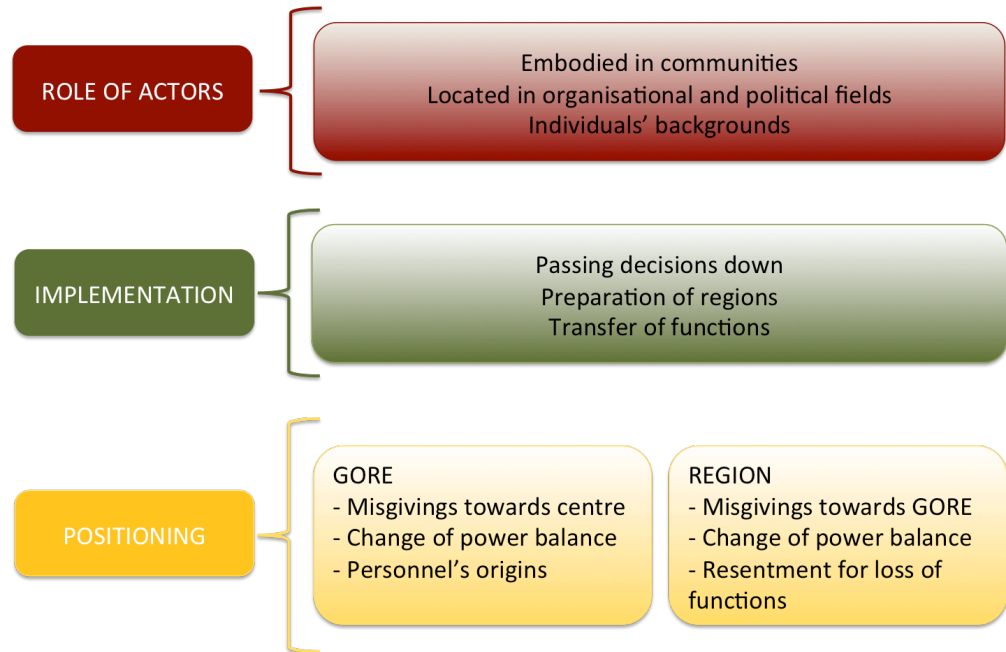


Summarising, both reforms – election of regional councillors and the creation of DIPLAD - were designed and developed at the national level within the frame of the political and developmental discourses discussed in Chapter V. The aims of these reforms are the real autonomy of the Regional Council and the change in the gravitational centre of the region. Figure 6-1 goes then to the technical dimension at the regional level, in which the implementation of DIPLAD is the main action. This will be analysed further in the next sections.

There will be three lines of argument in the next sections. Firstly, the three steps of implementation described in the fig 5-2 (Chapter V) – passing decisions down, preparation of regions and transference of function -; secondly, the challenges of positioning DIPLAD; and thirdly, the role of actors in the success or failure of the reform. Those lines are not

separated but entangled in practice, so the text often mixes them - as they cannot be analysed separately. Figure 6-3¹⁹ clarifies all the elements involved.

Fig 6-3: Key elements of the first three years of DIPLAD



ROLE OF ACTORS

Fig 6-3 shows in red the role of actors, who are key elements for the success or failure of a policy (Jones et al, 2004; Peck and Theodore, 2010). Actors have specific skills and professions that give them different perspectives of an issue (Peck and Theodore, 2010). Therefore, the role of individuals is fundamental to the implementation of public policies (Jones et al, 2004), as they are susceptible to certain interpretations and/or reactions, which determine its probability of success. Throughout this chapter there have been many examples of how actors act and react towards policies, which have influenced the success or hindered some decisions. Therefore it is important to know who they are and what motivates their actions.

First of all, actors are embodied in society; they belong to communities and share certain values and beliefs. The main issue that stemmed from this research was the regionalist feeling of many of the participants. This feeling, although milder in Valparaíso, drove many of their responses and reactions to DIPLAD. The following quote shows the animosity that some respondents have towards Santiago and, therefore, towards any decision that comes from there.

¹⁹ Source: author

'Primero, en Santiago, si tú te das cuenta, los profesionales... La mayoría de la gente de Santiago no son de Santiago p', son gente que ha llegado allá, se fue a estudiar a la universidad y se quedó allá en Santiago. Segundo, Santiago, desde el punto de vista de la salud mental, son la gente más enferma, porque tienen problemas de estrés, los más altos niveles estrés, los más altos niveles de contaminación... Entonces uno podría pensar que se trata de, primero, de gente que llegó a un lugar donde no tiene ninguna identidad, porque ser santiaguino que es lo que es po'... nadie sabe lo que es. Porque un huaso de Colchagua es huaso po', un chilote, es chilote, come papas... qué sé yo...un gallo del norte, es nortino. Pero un santiaguino ¿Qué es lo que es? Nadie sabe lo que es po', o sea no es nada. Te fijas? No tiene una identidad territorial, que lo que... No existe... Tiene todos estos problemas de salud mental... tiene problemas graves de contaminación... Por ejemplo el plomo te daña el cerebro, por lo tanto, tú piensas más mal, no piensas mejor por estar en Santiago. Sin embargo, ellos nos tienen convencidos a todos de que la cosa tiene que decidirse en Santiago, te fijas? Es medio extraño....'

'Firstly, in Santiago, if you notice, the professionals... Most of the people of Santiago are not from Santiago. They are people that have arrived there, that went to study at university and stayed there. Secondly, from a mental health point of view, they are the most ill people, because they have stress problems, the highest levels of stress, the highest levels of pollution²⁰ ... then one could think that it is about firstly, of people that arrive at a place where there is no identity, because being 'santiaguino', what is that? Nobody knows. Because a 'huaso'²¹ from Colchagua is a 'huaso', a 'chilote'²² is a 'chilote', eats potatoes... I don't know... a guy from the north is a 'nortino'... but a 'santiaguino', what is that? Nobody knows. That is to say, it means nothing, you see? They do not have territorial identity which... It does not exist... (Santiago) has all these problems of mental health... It has serious pollution problems... For example, lead damages the brain, therefore you think worse, you do not think better for being in Santiago. However, they have convinced us all that decisions have to be made in Santiago, you see? It is a bit odd...'

(INT 26 – Public Servant, Tarapacá 2009)

²⁰ The interviewee is referring to air pollution (smog)

²¹ Folks that live in the countryside in the central zone

²² Folks that live in Chiloe, in the south of Chile

Although this interviewee chose a particular way to show his strong feelings against Santiago and its people, most of the respondents from Tarapacá referring to the capital shared similar feelings. Thus, being in Tarapacá entails a strong mistrust towards any decisions that come from Santiago, and as well as to arrivals from the capital.

A second element to consider is that actors are also embedded politically and organisationally. An important issue regarding the degree of acceptance or suspicion of DIPLAD from regional state personnel is related to the contradiction between centralism and regionalism within the regions. Interviewees from regions highlight the fact that the central level imposes its policies, usually from their point of view; therefore new policies are viewed with suspicion by the regions. However, most of SEREMIs personnel – who frequently complain about their lack of autonomy – disapproved of DIPLAD. This is related to the power balance within the region, but also because individuals are part of organisational structures so they tend to keep the status quo. SEREMIs personnel feel different to GORE's as they belong to the ministries; their loyalties are first to their ministry and then to the region. Chapter VII will explain this further.

Finally, is also important to take into account the backgrounds of individuals, as that can shape their thoughts and prepare them for new situations. For example, the next quote is from a public servant that has lived and worked in many regions, which has given her a wider understanding of Chilean realities.

'Por ejemplo, yo llegué a Iquique y es otro Chile para mi... Yo nací en la IX Región, que también es otro Chile, distinto al Chile de Santiago... Y esos mundos tan distintos... Entonces, no sé, la descentralización quizás responde a un llamado de 'yo soy iquiqueño' y que eso venga con una definición de que es lo que hacen, que es lo que... Yo creo que apunta a temas de identidad. No sólo a que las regiones tomen sus propias decisiones sino que también se vea la propia identidad de cada una de las regiones.'

'For example, I arrived in Iquique and it is another Chile to me... I was born in the IX Region, which is also another Chile, different from the Chile of Santiago... And those so different worlds ... So, I don't know decentralisation is perhaps a response to the claim 'I am Iquiqueño' and that comes with a definition of what they do, that is what I ... I believe it addresses identity issues. Not only that the regions take their own decisions but also the real identity of each region is seen.'

(INT 25 – Public Servant, Tarapacá 2009)

Therefore, actors with a wider understanding of Chilean realities are better prepared to implement decentralising policies and are less suspicious of the central decisions. Public policies are not rigid, but ongoing constructions that are being modified every time they are transferred and applied, as realities and actors change. Peck and Theodore (2010) point out the concept of ongoing policy construction, referring to the transformation that border-crossing policies suffer. They explain how policies might be modified regarding the needs and characteristics of the country of destination, so the original policy is not the same when applied elsewhere. In a similar way, a policy designed at an upper level and applied at a lower level might suffer modifications by being interpreted in different ways; therefore, the original idea is transformed by actors at both national and regional level. Thus, it can be said that policies are alive - moving, transforming and adapting, depending on realities, actors and contexts that frame their application.

IMPLEMENTATION OF DIPLAD

Implementation corresponds to the third dimension explained in Chapter V, which is related to technical actions required to consolidate DIPLAD. This step should be simple to execute – hence the green colour chosen for the boxes in Fig 6.3 – as there are specific steps to be done. However, the acceptance of DIPLAD by the regional governments and within the regions has faced difficulties due to the misgivings and tension between the central state and the regions, and the change in power balance within both regions and GOREs²³. The role of actors has been essential facilitating or hindering DIPLADs - the red colour represents the key role that individuals can have over the result of a certain policy. Actors are embodied in communities with specific beliefs, interests and socio-cultural backgrounds, and influenced by certain ideas. They are also part of organisational and political fields that situate them in a net of interests and power struggles – some limited to one institution, some within regional interests and some of national character.

The regional structure of the Chilean state is composed of two sets of institutions: deconcentrated branches of ministries (SEREMIs), which are the tentacles of the central level in the regions, and the regional governments (GOREs), which are highly dependent on the central level both financially and politically²⁴. The main difference between the regional governments and SEREMIs is the competence they exert; while every SEREMI is focused on one sphere or sector, the regional government holds the overall coordination of

²³ The yellow colour represents those difficulties

²⁴ See Chapter IV Case Study

all sectors of the region. Thus, the tensions between levels are not just Santiago vs. the regions, but also SEREMIs vs. GORE. In addition, SEREMIs personnel are usually a mixture from the region and from elsewhere, mainly from Santiago. Once on the staff of a ministry it is possible to move from one region to another; there are several state initiatives aiming to improve the quality of human capital in the regions, so there are inducements – e.g. higher salaries, more holidays, taxes exemptions and so on – to encourage people to work there instead of Santiago.

Therefore, the struggles that DIPLADs have faced positioning themselves within GOREs and within the regions are related to both the tension between the centre and the regions and the origins of state personnel. DIPLAD's creation is an initiative from the centre; it is the national level interfering, even imposing a reform over the regions. In addition, SUBDERE hired personnel from all over the country and distributed them among regions, so that the teams were composed mainly of incomers, which increased the misgivings of the regions. Thus, DIPLADs were not very welcome at start.

Usually, in Chile every new policy or structure is applied equally and at the same time over the whole country, but due to the rejection of its first proposal in Congress (see Chapter V), SUBDERE had to work with each region individually in order to create the divisions. Therefore Valparaíso and Tarapacá have different histories; while the new division was created in 2007 in Tarapacá, in Valparaíso the office had already existed for several years and just had to adapt itself to the new organisation of GORE.

DIPLAD's experience in Valparaíso Region is unique. In 2003 the Intendente in office was Luis Gustavino - who had worked in SUBDERE for several years. As he knew SUBDERE's plans regarding the restructuring of the regional governments, he took two departments from the Division of Analysis and Control of Management (DACOG) and made them into a third division, which was called the Division of Regional Development. The Division was composed of public servants from the former departments and of people hired in order to strengthen it. When SUBDERE and MIDEPLAN signed the transfer of regional planning (EDR) to GOREs, in 2007, Valparaíso just transformed it into the Division of Regional Development to transform it into the Division of Planning and Development (DIPLAD). On the other hand, after a workshop organised by SUBDERE with public servants from DACOG – in 2006 - four professionals were hired in order to strengthen Tarapacá Region's Unit of Planning. This is what became DIPLAD and it constituted a whole new division within the Regional Government. This is reflected in substantial difference between these regions; the objection to DIPLAD was less in

Valparaíso than in Tarapacá region and it also had less issues regarding incomers than Tarapacá²⁵.

SUBDERE announced the creation of DIPLAD and that the competence of project appraisal would be transferred from DACOG to the new Division without warning. There was no negotiation - neither persuasion nor lobbying²⁶ - as it was with the ministries at the national level; it was just the imposition of a decision from the central level on the Regional Government. The manner of passing decisions down (Fig 6-3) is important as it can affect the outcomes of a policy. Making it properly can assure the allegiance of the actors involved and therefore avoid resistance to it from the technical sphere. On the contrary, when decisions are ill communicated actors feel bypassed so they make no effort for them to succeed. The evidence shows GORE's personnel's discomfort as decisions were made at the central level and as they were informed rather than included in the decision-making process. Besides, project appraisal is an important function because managing the regional portfolio implies control over resources, decision power within the region and influence over the Intendente and the Regional Council. Losing this competence means that the Head of DACOG would lose power and his/her position as the second on board after the Intendente; DACOG was not happy with this announcement. Actors are located in specific organisational and political fields (fig 6-3) so they will resent a change that diminishes their position within their institution and their sphere of influence. Passing this particular decision down was a sensitive issue, to which SUBDERE did not give enough importance. Moreover, SUBDERE did not fully explain what DIPLAD was going to be, or its main strategic axes or the schedule for the steps they were going to take in order to have DIPLAD fully implemented within the Regional Government. GORE's personnel were in limbo regarding the start of the new Division and the time when DACOG had to actually transfer project appraisal to DIPLAD. As each region followed a different path in the implementation of DIPLADs, SUBDERE could not really give an accurate schedule to GOREs for the steps they were going to take; however, this is not reason enough to explain SUBDERE's failure in passing this decision down. The above, plus the hiring of personnel from other parts of the country, set a bad start for the team of the new Division. At the moment of the field trip (2009-2010) SUBDERE did not show any regret regarding the way it passed decisions down to GOREs. This reflects a centralist attitude when handling communication with the regions, even coming from an institution that works for the decentralisation and the empowerment of the regions. The next quote shows how SUBDERE sees its relationship with the regional governments.

²⁵ This will be fully explained later in this section

²⁶ See table 5-1 Chapter V

‘Yo creo que tenemos una relación de amor y odio. Amor cuando vienen a pedir plata y odio cuando uno les pide los productos. Tienen una sensación equivocada. Yo creo que ellos se creen autónomos, cosa que no son (...) El Gobierno Regional está absolutamente tutelado por la Subsecretaría... Si bien ellos tienen personalidad jurídica distinta del fisco y tienen la institucionalidad, ellos no son autónomos. Ahí hay un problema de percepción de lo que es autonomía (...) Ellos creen que son descentralizados y nosotros les hacemos creer que así es... Ni un peso de la región es decidido por la región. Nada.’

‘I believe we have a love-hate relationship. Love when they come to ask for money and hate when we ask for results. They have the wrong perception. I believe they think they are autonomous, which they are not (...) The Regional Government is absolutely supervised by the Subsecretariat²⁷... although they have a different juridical personality from the central state and they have the institutionality, they are not autonomous. There is a problem of perception about what is autonomy (...) They think they are decentralised and we make them believe so... Not one penny is decided by the region. None.’

(INT 28 – Political Apointee, Santiago 2009)

The quote illustrates two main issues: the control that the central level exerts over regional resources and the disdain towards regional comprehension and capacities. Chapter IV explains that GORE ‘decides’ the investment of FNDR²⁸ (25% approximately of the regional public investment), however the respondent explains that the ARI²⁹ has to be approved by the central level so that, when it is consistent with the national priorities for the region there is no problem, but when there are projects that they do not like, those projects are rejected. Thus, not a penny is spent without the consent of the central level. For this reason, the regions could have the illusion that they are autonomous, but actually they are not.

On the other hand, the language used by the interviewee undermines the capacities of GOREs, as he seems to believe that regional personnel do not realise the game SUBDERE plays ‘letting regions think that they are decentralised’. Actually, GORE’s personnel often complained about the attitude of the central level treating them as if they were unable to understand these kinds of games; frequently, the central state’s personnel underrate the

²⁷ SUBDERE: Subsecretariat for Regional Development

²⁸ Fondo Nacional de Desarrollo Regional – National Fund for Regional Development

²⁹ Anteproyecto Regional de Inversiones – Preliminary draft for regional investment

regions, bypassing and distrusting them. In addition, the central state's personnel often confuse the culture of assistance³⁰ with supporting the regions, which is obviously a wrong approach when the goal is to decentralise. Thus the misgivings between the national and the regional level are enhanced by this attitude.

When centralist culture and practices were discussed in Chapter V as one of the main obstacles to decentralisation, it was also pointed out that the main issue was to keep the control in the capital; the relationship between SUBDERE and GOREs is almost as hierarchical as the relationship between the SEREMIs and their Ministries. Therefore, a reform designed for decentralisation becomes a paradox when is implemented using highly centralised practices; one interviewee defined this paradox as the schizophrenia of the Chilean state³¹. The creation of DIPLADs has two goals: the strengthening of the regional governments and a change in the gravitational forces within the regions³². However, as this measure is being led by SUBDERE, a paradox is produced when implementing it, as the central state - with its centralist perspective - is driving a decentralising process. The problem is not whether the job is properly done but how it is done. There is no doubt about the commitment of most of the personnel from the central state; however, applying centralist point of views shows a lack of understanding of the regional needs regarding autonomy. Improving the communication with the regions and including them in the decision-making process could assure a better disposition towards national policies, hence a higher probability of success.

There is also a failure in the communication between the political and technical spheres (see Chapter V), which lead to misunderstandings and even misgivings. What happens is that often public servants receive the guidelines with instructions for the new policies without further explanation of the strategy behind the policy, so that they usually act blindly and, in consequence, many times without good will towards the changes. For example, when asked about the transference of regional planning policies to regional governments at the very beginning of the creation of DIPLAD (2008), a regional public servant said *'Why does the Regional Government want so much power? What is the idea?'*³³ This clearly shows two things: misgiving towards GORE at the regional level and a lack of understanding of the whole process. Firstly the misgiving within the regional level towards GORE is related to its origin in 1993 and secondly, the transference of functions obeys central government's strategies, in which regional governments have had

³⁰ Asistencialismo

³¹ INT 4 – Academic, Tarapacá 2010

³² Although the change of gravitational forces was not mentioned by respondents it seems to me an obvious consequence of the transfer of function from SEREMIs to GOREs

³³ ¿Por qué quiere tanto poder el Gobierno Regional? ¿Cuál es la idea?

no participation; however, they were blamed for ‘taking’ functions or power from SEREMIs, when in fact everything was done through negotiation between SUBDERE and Ministries at the central level.

As the decision of the creation of DIPLAD was badly communicated, public servants were unhappy with the arrival of the new Division, which resulted in given a pejorative nickname: ‘the third division’, referring to the football teams’ lowest league. This shows the resentment of the Regional Government’s personnel for having a Division they did not ask for imposed on them; moreover, they felt bypassed once again by the central level. This could have been avoided if SUBDERE had approached GOREs with a more inclusive attitude. Although SUBDERE gave DIPLADs the option to organise themselves regarding the needs of each region, the personnel of GORE complained that SUBDERE did not include them before the creation of DIPLAD and that the workshops that led to its creation did not include regional state personnel. This tension affected the implementation and positioning of DIPLADs within GOREs; the new personnel were received with misgiving. The following quote shows the steps of DIPLADs during its first year.

‘Cuando yo entré la gente decía ‘pero bueno, ¿qué hacen en la DIPLAD? No sabemos lo que hacen’. Entonces, ha sido un trabajo de posicionamiento con los pares, continuo (...) Y me da la impresión de que cuando llegamos y se crea la DIPLAD todos los cachos, todas las cosas engorrosas las tiran para allá ‘Tírenselos a ellos, son nuevos. Pa’ la DIPLAD, pa’ la DIPLAD’ (...) y la DIPLAD no es para ejecutar o hacer proyectos, es para planificar ’

‘When I arrived (to DIPLAD) people said ‘well, but what do they are do in DIPLAD? We don’t know what they do’. So, it has been a continuous work of positioning among colleagues (...) And I have the impression that when we arrived and DIPLAD was created, all the tricky and cumbersome things were sent there ‘Give it to them, they are new. For DIPLAD, for DIPLAD’ (...) and DIPLAD is not for executing or making projects, it is for planning’

(INT 27 – Public Servant, Tarapacá 2009)

Both DIPLADs, from Tarapacá and Valparaíso Region, describe their first steps in the Regional Government as a time when the lack of clarity and the lack of a legal framework was used to give them all the tasks nobody else wanted. As SUBDERE promoted the idea that each DIPLAD should organise itself regarding their needs, DACOG took the opportunity to transfer them cumbersome tasks. In addition, they explain that,

unfortunately, the Intendentes in office – 2007 - did not really understand that DIPLAD should be the ‘brain’ of the regional government, so s/he gave DIPLAD tasks that were not what they were trained for, and used the new team to promote his/her own agenda³⁴.

Legally, there is no Division of Planning and Development within GOREs, but the law establishes besides the Head of DACOG and the Head of DAF³⁵, a third Head of Division – unnamed, with no functions and no personnel – that can advise the Intendente. SUBDERE took advantage of this loophole for the creation of DIPLAD and as it is the Intendente who sets the agenda for DIPLADs, SUBDERE sought to give them all the same tasks: EDR, PROT, Regional Policies and ARI³⁶. This explain the ‘chaos’ during 2007 when the Division started, as everyone tried to take advantage of the new structure: Intendentes to have more technical support to implement her/his ideas and GORE’s personnel in order to get rid of cumbersome or annoying tasks.

Personnel in Valparaíso also point out that the fact that the region had the first DIPLAD does not necessarily mean that they are currently in a better position than other regions. Moreover, they explain it was a disadvantage, as there was a lack of clarity about what was going on and the team had to change their work logic in order to adapt to SUBDERE’s requirements. Both, the change in working logic and the misunderstanding of political officials held back the DIPLAD in Valparaíso, being nowadays more less at the same stage as in the other regions. The advantages that Valparaíso should have had due to the early creation of the Division of Regional Development did not result in a better articulated office.

Several workshops and training courses on regional planning and on the role DIPLADs should have within GORE and the region were organised during 2007, both in Santiago and regions in order to prepare the regions for the transference of functions (see Fig 6-3). Thus, when training in Santiago, all personnel from DIPLADs were sharing their experiences and when training in the regions, SUBDERE was dealing with specific issues. Due to the large amount of training received during the first year of the Division, DIPLAD’s personnel were ‘accused’ by the other public servants within GORE as not really working. One interviewee described how his colleagues from the other divisions were often saying ‘*you spend all the time attending courses*’³⁷, which made the acceptance of DIPLAD within GORE even more difficult.

³⁴ Projects that s/he considered important in her/his period for the region.

³⁵ Division of Administration and Finances

³⁶ See chapter IV (Case study) for further details

³⁷ ‘Ustedes se la pasan en cursos’ (INT 23, Political Appointee, Tarapacá 2010)

POSITIONING DIPLAD

Positioning is understood in this thesis as the set of circumstances that affects the power to act of an institution. As DIPLAD was a new institution, it needed to define its status and find a place within the regional chessboard.

Positioning DIPLAD was not an easy task; the new division faced problems related to being imposed by the centre, the power balance within GORE and the diversity in origins of its personnel. Valparaíso and Tarapacá regions claim that Santiago does not truly know their realities – misinterpreting their needs – so that the policies designed to solve their problems are not appropriate. For example, SEREMI MINVU³⁸ complains about LGUC and OGUC³⁹, which establish rules consistent with cities situated on flat terrain and with an Mediterranean climate – such as Santiago. However, most cities in the country are in areas with different geographical characteristics – e.g. Valparaíso city is spread over the Coastal Hills⁴⁰ and Iquique is in the Atacama Desert. SEREMI MINVU explains the difficulties of fulfilling the law when the characteristics of a city are so different that some rules become absurd, e.g. requirements of gardens and green areas in Iquique. Thus, regions do not usually trust measures promoted by the central government, as they are not always suitable for them. Both regions also complain that SUBDERE is not working for the regions but for Santiago. Besides, the obvious resentment of DACOG due to its loss of power increased the natural antagonism that regions would have towards DIPLADs. In Valparaíso this was milder than in Tarapacá, as the Division was created several years earlier.

The arrival of incomers is a big issue for regions, even more when they are from Santiago. As Valparaíso region is located close to Santiago, commuting between the capital and the cities of the V Region is quite common. Thus, the GORE of Valparaíso accepts more easily personnel from other parts of the country than the GORE of Tarapacá. This might be because Valparaíso's history is tied to Santiago; it has been Chilean territory since the Spanish conquest and colonisation in the 16thC, and it fought for Independence during the 19thC. Therefore, they share the same history and more similar points of view regarding the country than the peripheral regions. On the other hand, Tarapacá was Peruvian territory until the late 19thC so that its inhabitants do not share the same past as Santiago and in some way they feel different from Chileans. There is a strong local

³⁸ Regional Office of Housing and Urbanism.

³⁹ LGUC: General Law of Urbanism and Construction / OGUC: Ordinance of Urbanism and Construction

⁴⁰ Cordillera de la Costa

identity⁴¹, for instance, one interviewee explained ironically that actually *‘the problem of Iquique is that it is full of Chileans’*⁴², alluding to the increment of immigrants in the last 25 years. Incomers are seen as intruders, they are called ‘outsiders’ or ‘people in transit’⁴³. Being a desert and mining region, Tarapacá has a long history of immigrants that came to exploit its resources and then went back to their countries/regions. The misgiving towards incomers might be related to the experience of waves of people seeking wealth by exploiting mineral resources – e.g. saltpetre, silver, copper and so on – and then leaving; they feel used and abused by incomers. It is a common saying that people who stay in Tarapacá are people from Tarapacá, as they are hard enough to endure the life within the driest desert of the world. The next quote shows this feeling within the Regional Government:

‘La mayoría (autoridades regionales y funcionarios de la DIPLAD) no son de acá, no los veo comprometidos 100% con el futuro de Tarapacá... Si tú le preguntas al Intendente ‘si usted se ganara el Kino, no sé 500 millones de pesos, que haría?’ , que crees tú que te va a responder? ‘Me compro una parcelita en La Ligua po’ o un fundito por ahí por Curicó’. Entonces, como dijo Abraham Lincoln tú eres del lugar donde tienes tus muertos o de donde quieres morirte. Te fijas? ... Cuando la persona está pensando que aquí está de paso nunca va a ser regionalista (...) Esas personas no están comprometidas, desde el origen no están comprometidas ’

‘Most of them (regional officials and DIPLAD’s personnel) are not from here, I don’t see them 100% committed to Tarapacá’s future... If you ask the Intendente ‘what would you do if you won the lottery, I don’t know, say 500 million pesos’⁴⁴?’ What do you think he would answer? ‘I would buy a piece of land in La Ligua, obviously... or a farm near Curicó’⁴⁵ ... So, as Abraham Lincoln said, you are from where your dead are or where you want to die. You see? When the person is thinking that s/he is in transit they will never be regionalist (...) those people are not committed, from the beginning they are not committed’

(INT 26 – Public servant and Deputy Official, Tarapacá 2009)

⁴¹ Tarapacá’s inhabitants called themselves ‘Iquiqueños’ or ‘pampinos’ regarding where their families come from. The former are those from the coast (Iquique) and the latter come from ‘pampas’, in the inlands, where saltpetre and silver was exploited in the 19thC and early 20thC. They do not call themselves ‘Tarapaqueños’.

⁴² ‘El problema de Iquique es que está lleno de chilenos’ (INT 4 – Academic, Tarapacá 2010)

⁴³ ‘afuerinos’ / ‘gente de paso’

⁴⁴ 620.000 pounds app

⁴⁵ La Ligua is located in V Region of Valparaíso and Curicó in the VII Region of Maule

The quote is a good example of the feelings towards incomers working in the regions. The same interviewee also explains that the problem is not that outsiders do not do their job, actually he praised DIPLAD's personnel emphasising that they are very enthusiastic and hard workers; however, he believes that not belonging to the region makes them lack commitment towards Tarapacá, as they will stay just for a few years and then go somewhere else. He is convinced that incomers see their positions in Tarapacá as a step in their careers, so they will take any opportunity that comes, probably a higher position within the central state in Santiago. Other interviewees from Tarapacá also comment that this desire is understandable: Iquique cannot provide them with all the things they could access in Santiago, such as better schools for their children, better hospitals, a greater number of museums and theatres and so on. Again, for them, who stays in Iquique is who loves their land enough to not care about the lack of those luxuries. Thus, it is essential to understand that actors are embodied in communities that share certain beliefs and values that will make them react in a certain way towards a new policy. Taking into account the feelings of Tarapacá's citizenry towards new comers would make the implementation and positioning of DIPLAD easier.

2008 was the first year DIPLAD was operational and SUBDERE transferred regional planning to them. All regions started with the elaboration and design of EDR, some of them also worked on the Land Use Plan for the Coastal Border (ZBC) and specific regional policies. Due to these tasks DIPLAD's were interacting with other public services, which helped them to enter the regional chessboard. In Tarapacá respondents explained that for them 2009 was the year of consolidation⁴⁶, as the Division was well known among public services in the region, communication within GORE and the public apparatus was fluent and they were expecting the approval of EDR for the beginning of 2010. Also, in 2009, DIPLAD was analysing each regional project presented to the regional government in order to evaluate its consistency with the strategic lines defined by EDR – appraisal project. The following quote shows the optimism regarding the Division at the moment of the interview.

'El trabajo de la DIPLAD estos tres primeros años ha sido duro porque ha tenido que ser un posicionamiento dentro del GORE, con los servicios públicos y a nivel nacional con la SUBDERE y MIDEPLAN (...) Desde mi punto de vista, nosotros nos posicionamos como división el año pasado, porque hicimos mucho trabajo técnico con los profesionales de los servicios públicos y con la sociedad

⁴⁶ Take into account that interviews in Tarapacá were made mainly in late 2009 and early 2010

civil. Entonces tengo la impresión de que se avanzó por ese lado. O sea, la imagen de la DIPLAD fue más conocida, la gente sabe lo que hace la DIPLAD por lo menos (...) Se han ido ganando espacios poco a poco (...) la división empieza a adquirir mayor importancia, porque el que tiene las lucas es el que tiene el peso (...) la visión estratégica no tiene peso concreto si no se vincula a la cartera de inversiones y a la definición del presupuesto.'

'The work of DIPLAD over these three years has been hard because it has had to position itself within GORE, with the public services⁴⁷ and at national level with SUBDERE and MIDEPLAN⁴⁸ (...) From my point of view, we positioned the division last year, because we did lot of technical work with professionals of the public services and with civil society. So, I have the impression that we have advanced on that side. I mean, the image of DIPLAD was more known, at least people know what DIPLAD does (...) We have been gaining spaces step by step (...) the division starts to have more importance, because who has the money has the power (...) the strategic vision does not have weight if it is not related to the investment portfolio and to the definition of the budget'

(INT 23 – Political Appointee, Tarapacá 2010)

The interviewee made a positive assessment of the first three years of the Division and links its success to the fact that once having the EDR they could recommend the acceptance or rejection of projects to the Regional Council. The technical team of Tarapacá see themselves as builders of the Division, so for them a strong internal relationship is essential as they trust each other and face each challenge united. Thus, they have periodic meetings in order to be highly coordinated internally and also to improve the Division.

In Valparaíso things were a little bit different, as they already existed; the team did not have to position itself within GORE, but mainly with the other public services. However, the problem they faced was that they were leaderless, as they have had several Heads of Division, which affected practices within the division and the positioning of DIPLAD within the region due to their different approaches to the job. For example, one Head of Division used to send the public servant in charge of the topic in discussion to meetings outside GORE, which resulted in a restriction of those topics to one or two people, as when the person briefed his/her boss on return the Head of Division did not inform the rest of the team. On the contrary, another Head of Division preferred to go to

⁴⁷ Also called sectors or SEREMIs

⁴⁸ Ministry of Planning

every meeting him/herself and then to inform the whole team about all topics, so everyone knew what was happening. These different practices caused confusion among the personnel, GORE and the rest of the region. One recently appointed Head of DIPLAD explains:

‘Mira, yo creo que falta, falta bastante (posicionamiento). Por lo mismo de que yo soy nuevo, yo creo que se perdieron 8 meses. O sea, el DIPLAD anterior no sabía mostrarse, no salía a terreno, no salía a eventos... No iba a todas las reuniones a las que tenía que ir... cometía el error de que de repente iba a reuniones que no tenía que ir y dejaba de ir a reuniones importantes. Así que, ahí se genera un tema en que yo ahora tengo que ser super discrecional con lo que tengo que hacer. Tengo que discernir que es realmente lo importante y que es lo que no. Y ese es el tema que... Porque si haces bien esa parte, la notoriedad de la DIPLAD y el posicionamiento va a ser inmediato’

‘Look, I think we need more, much more (regarding positioning DIPLAD). As I am new, I think we have lost 8 months. That is, the former Head of DIPLAD did not know how to present her/himself⁴⁹, she/he did not go into the field... she/he did not go to events, she/he did not go to all the meetings she/he had to go... She/he made the mistake of going to meetings she/he should not have to go and did not go to important meetings. So, now I have to discern very carefully what is really important and what is not. And that is the thing... Because if you do well that part, immediately DIPLAD’s reputation will increase’

(INT 19 – Political appointee, Valparaíso 2010)

He adds that the Intendente giving DIPLAD the task of monitoring the fulfilment of presidential goals gave them the opportunity to have a stronger position within the region, as the other public services should respond to DIPLAD. Therefore, the support of the Intendente was essential to improve the image and position of the Division.

Positioning DIPLAD within the region depends on the three elements identified in fig 6-3: the natural misgivings from public services towards GORE, which is rooted in its bad reputation among the state personnel, the change of power balance and the resentment of public services for losing functions. These three elements affected the credibility of DIPLAD, so since its outset DIPLAD was not only facing issues within GORE but also with the public services it should coordinate. The following two quotes illustrate the feelings of SEREMI MINVU and SERPLAC towards DIPLAD, which are the only two

⁴⁹ It was not possible to identify the gender of the person from the quote.

services included in this research besides GORE, as they were holding the functions of planning that were transferred to DIPLAD. So that these opinions might not represent the whole regional state apparatus, but give an idea of the relations between public services.

‘Yo creo que es una buena idea. A mi me parece que es una buena idea en términos de que hay una mirada transversal a la región. En términos de su proyección en todos sus ámbitos. Yo creo que pal MINVU, particularmente pal departamento de Desarrollo Urbano se ve como una amenaza. Tengo como esa sensación. Me da la impresión de que por años hemos tenido instalado el tema de que el territorio es un tema nuestro, ya? Y no se entiende que el territorio es un tema de todos. Y eso yo creo que... Así como lo miramos como MINVU, le debe pasar a las otras SEREMIs de que ‘este tema es mío y por qué lo tienen ahí’... Debe ser complejo trabajar ahí. Les debe costar encontrarse con la facilitación de los otros... Pero yo creo que sí, es una buena decisión tener una División como esa (...) Yo creo que pa’ nosotros, como te digo, es un tema que nos provoca recelo. Porque aquí se hizo el Plan Regional de Desarrollo Urbano, un tema muy nuestro. Entonces, soltarlo...’

‘I believe it is a good idea (DIPLAD). It seems to me a good idea in terms that there is a transversal vision of the region, in terms of the projection of all its scopes. I believe that for MINVU, especially for the Dept. of Urban Development, it is seen as a threat. I have that feeling. I have the impression that for years we have entrenched the idea that the territory is our topic, and it has not been understood that the territory is a subject for everyone. And that I believe... Just as MINVU see it, might be happening to all SEREMIs, that of ‘this is my topic, why they are having it?’... It must be complex to work there (DIPLAD). It must be difficult to find help from the others... However, I believe that yes, it is a good decision to have a Division like that one (...) I believe that for us, as I told you, is a topic that provokes misgiving. Because here the Regional Plan for Urban Development was made, an issue that was ours. Then, let it go...’

(INT 52 – Political appointee, Valparaíso 2010)

‘Ahora recién se creó la División de Planificación del GORE... Y ahí está po’, con cero aporte po’... Cero aporte... Claro, son un equipo con mucha gente joven, pero necesitan que alguien con experiencia los lidere, los guíe. En cambio el que está hoy día de líder de ellos, es un funcionario joven con cero experiencia. Entonces, yo digo, está bien que el sector público está añoso pero igual hay que considerar la experiencia de los que llevan años trabajando en el sector. Entonces,

yo espero y tengo harta confianza en que la División de Planificación del GORE, sea exitosa... Y eso, con un costo a lo mejor de 3 a 4 años... Ya llevamos dos años (...) Desde que la SERPLAC no planifica - desde hace ya tres años que nos dijeron que iba a ser el Gobierno Regional – que no ha habido ni siquiera un intento de planificación en esta región. Están trabajando con el mismo documento de planificación que nosotros hicimos para el gobierno de Lagos’

‘Just now the Division of Planning of GORE was created ... and there it is, with zero contribution... zero contribution... It’s true, they are a team composed of many young people, but they need someone with experience to lead them, to guide them. On the contrary, he who is leading them at the moment is a young public servant without experience. So, I say, it’s ok that the public sector is aging but still the experience of those who have been a long time in the sector should be considered. So, I hope and I have a lot of confidence that the Division of Planning of GORE will be successful... And that, at a cost of 3 or 4 years... It has already been 2 years... (...) Since SERPLAC does not plan – there have been three years since we were told that planning would be done by GORE – that there has not been even an attempt of planning in this region. They (DIPLAD) are working with the same document we made for Lagos’ government’

(INT 41 – Public Servant, Tarapacá 2009)

These two quotes show the attitudes of the former institutions in charge of planning towards DIPLADs. Once again, Valparaíso’s reaction is moderate while Tarapacá’s is more extreme. The language used by the public servant of SERMI MINVU (INT 52) is mild and conciliatory. She speaks of the positive elements of this new Division, although she also recognises that the transfer has been painful for MINVU. On the other hand, the officer from SERPLAC (INT 41) shows animosity although he tries to be polite. He clearly disapproves of DIPLAD and explains that it achieved nothing in three years, blaming SUBDERE for this failure. His last statement about there had been no planning since SERPLAC transferred the function is not accurate, as at that moment DIPLAD was working in three different lines of planning: the boarder costal land use plan, the strategy for regional development and several regional policies. The quotes reflect how difficult the transfer of functions has been for the state personnel from SEREMI MINVU and SERPLAC, as they were used to working on regional planning with their methodology and sectorial perspective. For them is not only a change of power balance within the regional chessboard, but also the need to adapt themselves to other tasks.

Paradoxically, although SERPLAC's animosity towards DIPLAD, SEREMI MINVU of Tarapacá Region and DIPLAD work very closely, while in Valparaíso Region – that has not showed any animosity - there was no contact between them. The explanation could be in the fact that the Department of Urban Development of Tarapacá changed more than half of its personnel between 2007 and 2008 and the new personnel did not have any of these prejudices; furthermore, the new staff – the head of DUI among them - was very sympathetic towards DIPLAD. However, respondents exposed the difficulties for DIPLAD when working with sectors in both regions, as public services distrust the Division and are reluctant to cooperate.

Seldom has Chile had the opportunity to be creative when applying public policies, as they are usually strongly tied to laws and guidelines. However, due to the path that SUBDERE chose to create DIPLAD, each GORE has been freer to imprint its hallmark on the new Division. For instance, in Valparaíso the Intendente gave DIPLAD the task of monitoring the compliance with presidential goals, which made DIPLAD the institution that was supervising all the public services within the region. This has had opposite consequences; on the one hand, as there are rare occasions when a policy has no guidelines from the national level, there was some resistance from GORE itself and the other public services – at both national and regional level -; and on the other hand, the positioning of DIPLAD depends mostly on the ability of its personnel to ingratiate themselves with the Intendente. The latter makes DIPLAD's position vulnerable, as they are constantly seeking the validation of their colleagues and officials. They became particularly sensitive, as the new government coalition (Alianza) was very legalistic; it did not want to make any mistake, as it was the first time in 40 years that a democratic right wing coalition was in power. The same people that felt bypassed by SUBDERE with the creation of DIPLAD took the opportunity to point out to the new officials that DIPLADs have a questionable origin, as the law is ambiguous. This increased the uncertainty of DIPLAD's personnel, as they felt questioned about every aspect of their work.

Despite these attempts, the Alianza did not abolish DIPLADs, although their position diminished in some regions. Therefore, 2010 was the year of 'adaptation' more than the 'harvest' as many people expected; DIPLAD's work was reviewed and some tasks modified before their approval. For example, EDR Tarapacá was finished and ready for its approval by the Regional Council at the end of 2009; however, the regional councillors were unwilling to discuss the plan as there were uncertainties regarding the new

government⁵⁰. Once President Piñera took power, EDR was checked and modified in order to give it the stamp/hallmark of the new government; it was finally approved during 2011. Here SUBDERE's support was crucial to keep DIPLAD in the game. Most of DIPLAD's officers agreed that they needed one more year to have had the EDR and ZBC approved, then their position within GORE would not have been so weak during Alianza's first year. The approval of those instruments - before the change of government - would have strengthened their position, as they could have shown concrete results. In Tarapacá DIPLAD's personnel were very disappointed with the new head of Division and they felt not taken into consideration. By contrast, in Valparaíso the new head of Division seemed very proactive and forceful. Unfortunately, the data collection of this research finished at the beginning of the Alianza government, so it is not possible to make further analysis of the situation.

CONCLUSIONS

The main question of this chapter is the scope of decentralising reforms regarding the strengthening of the regional governments. It is difficult to assess the outcome of the direct election of regional councillors, as the first election will be in November 2013. The analysis of the data shows optimism among respondents from every group, as the Regional Council should be more autonomous for two reasons: because its members will be directly elected by the citizenry - not as a result of negotiations between political parties -, and because the Intendente will not be the Head of the Council anymore. Thus, the Regional Council will not be politically bound/tied to the central level. Being an autonomous body will allow CORE to fulfil its role monitoring and overseeing the Intendente's performance. Also, regional councillors will be able to set their own agenda, which will give them the strength to balance the power of the Intendente and SEREMIs. Besides, the direct election will make regional councillors known among the citizenry, which should make them more accountable to the people that voted for them.

This reform can be considered a good first step towards the empowerment of regional governments, but other steps must be taken. For instance, regional councillors should be full time jobs and have salaries according to their responsibilities; also the functions of the Regional Council should be checked in order to give them the right faculties according to its role within the region. The latter is highly related to the degree of decentralisation that Chile pursues, which is still a matter of debate.

⁵⁰ Presidential elections were in Nov 2009 and the second round in Jan 2010. Therefore that period was particularly sensitive within political institutions such as CORE and Congress.

DIPLADs had been working for three years when the data was collected for this research, which allows some preliminary conclusions regarding their achievements. The new Division meant the reorganisation of GORE, which has resulted so far in its strengthening even considering the strong resistance that DIPLAD faced at the outset. The change of the gravitational centre within the region has increased the importance of GORE in regional decision-making; the regional governments are nowadays recognised as the institutions that lead regional planning, so they are in a better position within the regional chessboard.

So far the development of regional capacities through decentralisation have not challenged the idea of the unitary state that Chileans' hold. All the guidelines and policies are still coming from Santiago and there is no great participation of the regions in policy making. While this situation endures it will be difficult to talk about real decentralisation.

CHAPTER VII

THE RELATIONSHIP BETWEEN THE REGIONS AND THE CENTRAL STATE

INTRODUCTION

Much has been said throughout this thesis about the contradiction of a top-down decentralising process, which means that decentralisation is promoted, designed and implemented from the central level; therefore the construction of decentralisation is through a centralist perspective. This decentralisation, with all its nuances, is therefore shaped by the relationship – struggles, tensions and practices - between the national and the regional level. Thus the understanding of that relationship becomes very important in order to frame the institutional context where the reforms of 2005 and 2009 have been placed.

This chapter aims to address the third research question, which is: what is the relationship between the central state and the regions? This relationship will be analysed through the case of the Regional Secretariat of the Ministry of Housing and Urbanism (SEREMI MINVU) in its relation with the central level – that is to say, the Ministry of Housing and Urbanism (MINVU). All SEREMIs have more or less the same regulatory frame; so any one of them is a good representative of the state administrative structure. SEREMI MINVU was chosen, as MINVU is one of the two ministries that have transferred planning competences to the Regional Governments; so it is a pioneer in this matter. The other institution involved in the transfer of planning competences was the Ministry of Planning; as this Ministry no longer exists¹, to analyse its former structure and relations in the context of the decentralisation process is not relevant.

The chapter has been divided into two sections in which two key themes will be discussed: formal vs. informal channels and regional dependence vs. regional autonomy. The first section will explore formal and informal channels such as the legal status of SEREMIs and the role of individuals within the institution in order to understand how those elements interact to create cooperative spaces within vertical structures. The relation of dependence and autonomy of SEREMIs will be analysed in the second section mainly regarding regional capacities and inter-level coordination in order to explain that autonomy and dependence is not only regarding the legal status of the institutions, but also related to working practices and the capacities of state personnel.

¹ In 2009 after the transfer, the Ministry of Planning became the Ministry of Social Development.

SHAPING MINISTERIAL RELATIONS BETWEEN THE NATIONAL AND THE REGIONAL LEVEL

Decentralisation not only challenges constitutions and ideologies, but also institutions (Rodríguez-Pose and Sandall, 2008). For this reason it is fundamental to understand the relationship between levels within state institutions, thus their degree of autonomy and their stage of decentralisation can be known.

The relationship between national and regional level within a ministry are shaped by both formal and informal channels, which are focused on the legal framework and the role of individuals respectively. The state is a reflexion of the society in which it is embedded (Jessop, 2007), so when formal and informal relations are analysed within state institutions the understanding of that society facilitates the shaping of those relations. The first thing to take into account is that Chilean society is highly legalist, which means that Chileans have an excessive adherence to law (Ominami, 2011; Mires, 2012). Secondly, Chilean history and culture show a strongly paternalist society in which vertical relations are common, as dependence relationships are still reproduced from the traditional landlord system of the 19th Century (Bajú, 1975; Palma, 2009; Prat I Catalá, 2009; Ominami, 2011). Thirdly, holdovers from the dictatorship still remain in the legal framework and authoritarian practices such as the binominal system and the high amount of political appointee positions. And finally, Moulian (1997) states that Chileans have changed from being citizens to be consumers as Chilean society has become more individualistic and less interested in its political role, which reflects the influence of neoliberalism (Moulian, 1997)². These characteristics – that goes both directions: from society to the state and from the state to society - shape the relations of Chilean society and the state as well as the relations and practices among and within institutions.

Regional and sectoral laws set the legal framework of SEREMIs. The former is mainly the Law 19.175 of the Regional Governments and Administration while the latter - in the case of SEREMI MINVU - is the General Urbanism and Constructions Law (LGUC) and its Ordinance (OGUC³), which contain the instructions for house building, housing development, urban development and urban planning; also there is a huge amount of specific regulations that compose the legal framework of the Ministry of Housing and Urbanism, which are called DDU circulars⁴. Those circulars are specifications for every

² See chapter IV Case Study

³ General Urbanism and Constructions Ordinance

⁴ DDU circulars of DDU are produced in the Division of Urban Development, hence its name. Individual circulars are called DDU and followed by a number. DDUs are instructions for specific issues that clarify or

function that the ministry has, for instance DDU55 set the technical steps and criteria for the design of communal plans. A common saying among state personnel is ‘the public sector does only what the law says it can do, while the private sector can do everything that the law does not forbid’⁵. On the other hand, the state is a peopled organisation (Jones et al, 2004) so the role of individuals is essential to facilitate or hinder the success of public policies⁶. The role of key actors within the Ministry can also exacerbate or diminish the degree of verticality between the central and regional level defined by the law, as individuals can influence formal relations. Thus, cooperative social relations and practices can be built within a vertically structured institutionality.

Thus, the legal framework establishes specific codes for administrative, economic and political relations between levels, while within informal relations, the skills of the technical teams, the experience of the heads of departments⁷ and the political expertise of the Head of SEREMIs are crucial for the creation of proactive spaces. These elements define the capacity of interpretation and adaptation⁸ that SEREMIs have regarding public policies in order to make them more suitable for regional realities; therefore, a good combination of skills, experience and expertise can open new spaces for proposals within SEREMIs towards the central level.

Figure 7-1⁹ summarises the above. It also shows how formal and informal channels built different relations; the former establishes dependents relations within a vertical structure, while the latter might aim at more autonomous relations and the construction of cooperative spaces within a ministry. Although separated in the figure, formal and informal relations interact as informal practices are embedded in the formal structure of the ministry. Formal relationships are usually referred to all procedures SEREMIs do in order to fulfil the law and regulation of its sector. It also includes direct conversations between the Head of SEREMI with the Minister or Sub-secretary, while all the official orders and reports between levels are made by written documentation¹⁰. Informal relationships refer mainly to the communication between the personnel of SEREMIs and the central level or

expand what is said in the law – e.g. for territorial planning are DDU9 (regional), DDU26 (Intercommunal) and DDU55 (Communal).

⁵ el sector público sólo puede hacer lo que la ley le dice que haga, mientras que el sector privado puede hacer todo aquello que la ley no le prohíba hacer

⁶ See Chapter VI Shaping Political Decentralisation

⁷ As s/he acts as bridge between technical teams and political headships – e.g. head of SEREMI

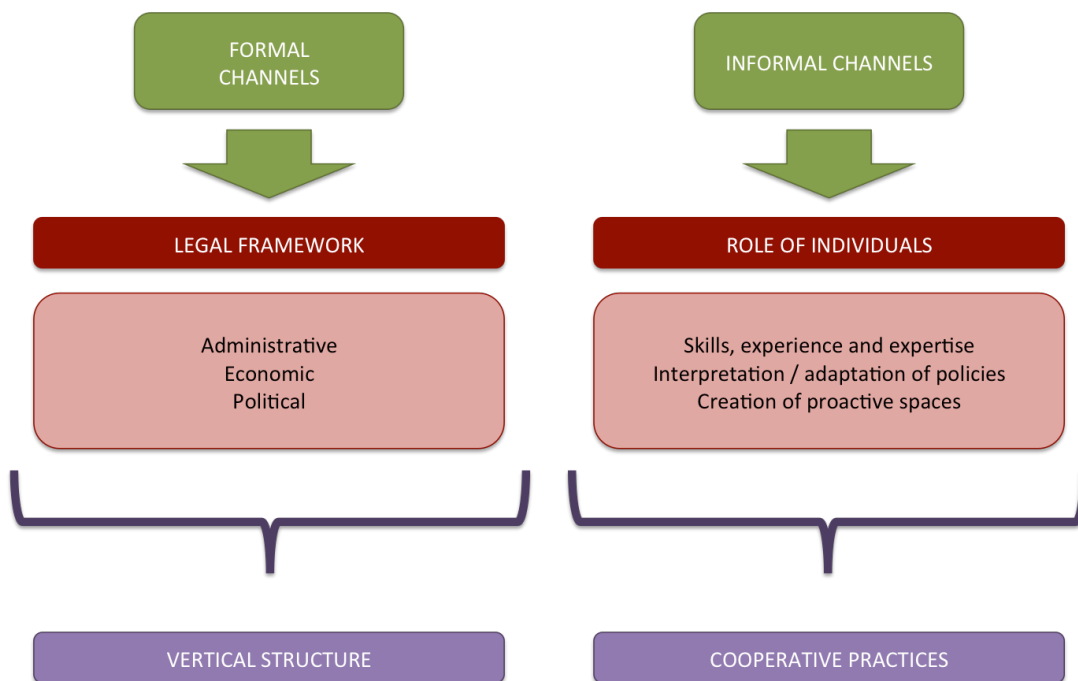
⁸ See Chapter II Literature Review Rodríguez-Pose and Sandall, 2008

⁹ Source: author

¹⁰ In Chile this is called ‘via oficio’, which means that written documents back up every step that is done. When the relationship is more formal almost everything is made this way, but when the relationship is less formal the written documentation is just enough to do things properly. That is to say there are not hundreds of official documents with minor questions or information – those are made by email or by phone calls -, but just one document that summarises everything

other SEREMIs that are not formally documented –e.g. informal meetings, phone calls, e-mails and so on.

Fig 7-1: Relationship between central and regional level



Administratively, ministries have a unitary character that reinforces the identification of public servants with their sectors rather than with their regions, as they can move from one region to another, while still belonging to the same institution. For instance, when the Ministry of Planning was transformed into the Ministry of Social Development, the personnel of SERPLAC¹¹ were offered the chance to move to DIPLADs¹² - where they could continue working on planning -; however, the feeling of belonging was so strong that public servants preferred to stay in their ministry and share its fate rather than change institution. SEREMI MINVU has even some units that respond directly to the central level; they only inform the Head of SEREMI in office, such as the case of the Urban Project Unit and of the Programme ‘I love my neighbourhood’¹³. Therefore, administratively, SEREMIs are strongly tied to the central level. Almost everything must go through the national bureaucracy, such as hiring regional personnel or making improvements of regional ministerial infrastructure. The Division of Administration (DIVAD) at the central level must approve the new hires in the regions, so,

¹¹ SERPLAC: Regional Secretariat of Planning and Coordination. It is the regional branch of the Ministry of Planning

¹² DIPLAD: Division of Planning and Development, Regional Government

¹³ Programa ‘Quiero mi barrio’

firstly, SEREMIs ask for permission to create a position there, and then, once a candidate has been chosen, s/he must be confirmed by the central level. The same happens when SEREMIs need to renew/repair buildings or to buy new furniture/equipment, SEREMIs must ask for permission and funds from DIVAD.

Economically and politically, SEREMIs are also dependents of the central level - they do not have their own budget - as the investment is allocated by the Ministry – Division of Finance and Division of Urban Development -, which is done with a centralist perspective i.e. projects that have a greater impact are prioritised. Usually the criterion is population – the more people that are benefited the better -; therefore, public investment of this ministry is usually allocated to the most populated territories i.e. the central macro zone¹⁴. Tarapacá region has a great disadvantage in this regard, as its population is very small (238,950 inhabitants). An interviewee from SEREMI MINVU Tarapacá explained the frustration he felt, as many times initiatives that were very important for SEREMI have not been incorporated in the budget because Santiago does not consider them priorities for the country. The following quote illustrates it:

‘Hay una serie de compromisos que se realizan en la región que son en realidad comandados por el nivel central, definidos por el nivel central. Pero que nosotros tenemos la libertad de... ‘libertad’ entre comillas en realidad, porque siempre hay marcos regulatorios que nos dicen que es lo que debemos hacer. En este caso, por ejemplo, respecto a inversiones nosotros tenemos estimada una inversión dentro de los próximos siete años en obras urbanas de \$7.500 millones en promedio - incluyendo el Plan Integral en Alto Hospicio. Sin embargo, para nuestro convenio de programación nos fijaron un marco de \$4.500 y sobre ese marco no nos podemos mover, no nos podemos pasar sobre ese marco... lo que nos significó... Es decir, la descentralización funciona en la medida que nos ajustamos a los marcos que nos rige el nivel central. ’

‘There are a range of commitments that are being implemented in the region that are actually commanded by the central level, defined by the central level. But we have the liberty for... ‘liberty’ in quotation marks actually, because there are always regulations that tell us what we must do. In this case, for example, with respect to investment, we have estimated an investment of \$7,500 million¹⁵ for the next 7 years in urban works for the region – including the ‘Plan Integral’ program of Alto Hospicio. However, our Programming Agreement was fixed at

¹⁴ V, VI and RM Regions

¹⁵ £1 = \$760 (chilean pesos) → \$7,500 millions = £9.86 million; \$4,500 millions = £5.92 million (7th Feb 2012)

\$4,500 and we cannot exceed it... which meant for us... that is to say, decentralisation works to the extent that we adjust to the limits that the central level defines.”

(INT 39 – Political appointee, Tarapacá 2009)

Thus, the ministry defines the budget of the whole country, while regions make their proposals and negotiate them with the central level. The interviewee added that within that budget the SEREMI can only implement those projects that are in the same line of investment defined by the Central level – e.g. the road system within urban areas is defined by SECTRA¹⁶. Therefore, SEREMIs have to adapt their needs not only to the budget that is given to them, but also to fulfil the requirements of the central level of any investment; therefore SEREMIs work on the central level’s terms.

Political relations are mainly defined by the verticality of the state structure as political decisions are usually made at the central level (see chapter V, political dimension). Within the legislation there are certain issues that are decided by the SEREMI such as land use change in rural areas, and interpretation of IPTs¹⁷ regulations. The legal framework and guidelines from the central level frame those decisions; it is a delimited autonomy - a conditioned autonomy - in other words, an autonomy restricted to set margins. In the next quote a political appointee emphasised the omnipotent role of the central level and expressed her frustration and disappointment as being proactive and propositional does not guarantee the implementation of those proposals.

‘(La relación con el ministerio) es autoritaria. El nivel central respecto a nosotros es autoritario. Si bien es cierto, la LGUC le da funciones específicas a la DDU y los DUIs en cada una de las regiones, siempre es una suerte de autoritarismo. La región propone ciertos proyectos al nivel central y el nivel central estima cual se hace y cual no. No es una decisión local. Yo puedo tener una determinada prioridad y el nivel central estima que esa no es la prioridad... La región propone y Santiago dispone (se ríe) (...) Hay algún tipo de diálogo, hay un nivel de acuerdos... en la medida que yo no esté afectando algún interés particular que tenga el nivel central.’

‘The relationship with the ministry is authoritarian. The central level is authoritarian with us. Although it is true that the LGUC¹⁸ gives specific functions

¹⁶ SECTRA: Secretaría de Planificación de Transporte / Secretariat for Planning of Transport

¹⁷ IPTs: Instrumentos de Planificación Territorial - Territorial Planning Instruments.

¹⁸ Urbanism and Constructions General Law

to DDU¹⁹ and DUIs²⁰ in each region, there is always a kind of authoritarianism. The region proposes some projects to the central level and the central level decides which will be implemented and which will not. It is not a local decision. I can have a certain priority and the central level deems that this is not the priority... the region proposes and Santiago disposes (she laughs)²¹ (...) there is a kind of dialogue, there is a level of agreement... as long I am not affecting any of the central level's specific interests.'

(INT 49 – Political appointee, Valparaíso 2009)

SEREMIs' autonomy in the decision-making process is not only limited by the legal framework of its sector but also by the conjuncture and priorities of the central level, in which SEREMIs do not participate. Thus autonomy and decision-power is exerted only while things are flowing through channels previously created by the central level; anything out of it might generate 'noise' and could imply the intervention of central level. Despite this, most respondents from SEREMIs MINVU recognised that in comparison with other ministries, Housing and Urbanism is not that bad. In the following quote a public servant complains about the scarce autonomy heads of SEREMIs have and highlighted that having headships afraid of losing their jobs does not help to make the right decisions for the regions.

'Hay esfuerzos de descentralización, pero no se aprecia completamente. Por ejemplo, en Obras Públicas todo lo deciden en Santiago. Tú mandas una consulta al MOP y tienen que mandarla a Santiago. No hay decisiones autónomas (...) Yo creo que debíamos ser autónomos, porque estamos siempre con el peso de que 'y si hago esto y me equivoco? Me van a echar del cargo' Un jefe de servicio, por ejemplo. Y no po'. Porque si el tipo está ahí y toma una decisión, y está seguro de lo que está haciendo y de que es por el bien de la región... tiene que asumir eso, como lo hace un ministro a nivel de decisión ministerial para una cosa que va a ser para el país. Bueno, esa misma autonomía que tiene un ministro para tomar decisiones a nivel país, que la tenga un SEREMI para tomar las decisiones a nivel de región'

¹⁹ Division of Urban Development – central level

²⁰ Department of Urban Development and Infrastructure – regional level

²¹ She is mocking a common saying in Chile 'the man proposes and god disposes' (el hombre propone y dios dispone)

'There are efforts towards decentralisation, but you cannot fully see it. For example, in Public Works²² everything is decided in Santiago. You send a question to MOP and they have to forward it to Santiago. There are no autonomous decisions (...) I believe that we should be autonomous, because we are always worry about 'and if I do this and I make a mistake? I'll lose my job' in the case of a Head of SEREMI for example. And [I strongly disagree with this]²³. Because if the guy is there and takes a decision, and he is sure of what is he doing and that it is for the good of the region... he has to be accountable, as a minister does at the ministerial level for something that is for the country. Well, the Head of the SEREMI should have the same autonomy when making regional decisions as a minister has in national decision-making.'

(INT 51 – Public Servant, Valparaíso 2009)

Thus political decisions are not fully autonomous at the regional level and Officials are too cautious when making decisions, as they are afraid of losing their jobs. The interviewee gave the example of MOP as one of the most centralised ministries in Chile, as that ministry made all decisions at the central level. Even while recognising that their situation is not that extreme, respondents from SEREMI MINVU complained about the lack of space they have for regional decision-making through formal channels. However, they also explained how they have developed some practices in order to influence decision-making process in Santiago, which will be explained further in the following pages.

Informal channels depend mainly on the characteristics of the people within the institutions (fig 7-1). Most of the respondents from SEREMIs pointed out that the dynamics inside the institution might change direction when there is a change of headship or the arrival of new staff; team building is an ongoing task. Proactive individuals are more willing to develop alternative practices and to strengthen informal channels - as the law cannot be changed by anyone but the Congress – in order to achieve certain goals (see Jones et al, 2004). The streams of thoughts that influence people are also important, such as governance and democratic discourses, which have been gaining ground in Chile since the 1990s through thematic round tables and the inclusion of new actors in the decision-making process. In the case of MINVU, the Minister Poblete, during Bachelet's government, made an important step in this matter. Several respondents from SEREMI

²² Ministry of Public Works, also called MOP

²³ This Chilean expression used by the interviewee is a strong way to reject the idea she was explaining. It means a solid and outright NO

MINVU pointed out that the Minister advocated horizontal relations within the ministry, so she promoted the idea of all of them being colleagues; so there were no differences between regional and national personnel. Thus, the Minister was incorporating ideas of collaborative work between levels instead of the traditional top-down imposition of the Chilean structure. The interviewees from SEREMIs were pleased with this new behaviour, as they felt more valued and taken into consideration.

‘Yo creo que el nivel central... O nuestros compañeros de Santiago, como nos hace llamarlos nuestra Subsecretaria – porque a ella le molesta mucho que hablemos del nivel central – es un ente consultivo. Ahora, ellos te dan su opinión, pero la responsabilidad de tomar la decisión la tienes tú (...) Por eso es que nuestra Ministra y nuestra Subsecretaria hablan de compañeros de trabajo en Santiago y no de autoridades nacionales que están por sobre las regionales. Hablo de mi ministerio, no puedo hablar de los otros.’

‘I believe that the central level... Or our colleagues of Santiago, as our Sub-secretary makes us call them – because she is very upset when we talk of the central level – is a consultancy entity. Now, they give you their opinion, but the responsibility of taking a decision is yours (...) Because of that our Minister and our Sub-secretary talk about colleagues in Santiago and not of national authorities that are above regional officials and headships. I talk of my ministry, as I cannot talk about the others.’

(INT 40 – Political appointee, Tarapacá 2010)

The minister in office was very forceful regarding this topic. However, other Ministers of Housing and Urbanism have not had the same perspective and have used a legalist approach, which is the formal structure between levels, i.e. vertical relationships. Thus, the minister is a key actor in the definition of the relationship between the national and the regional level. Despite the latter, the legal framework has to be considered when different practices are applied - as a minister cannot change the law by her/himself – and SEREMIs still need the ‘OK’ or confirmation of the central level for most of their decisions. However, having a minister who promotes horizontal relations means that the central level tends to accept SEREMIs’ proposals more easily – e.g. SEREMIs should be less questioned regarding technical decisions.

The promotion of more horizontal relationships within MINVU is a consequence of the decentralising practices²⁴ that Bachelet's government encouraged during her presidential period. Thus, Bachelet sought to improve regional and inter level polity²⁵, so that public servants would not be trapped in hierarchical and subordinated relations between levels when proposing solutions or applying certain criteria instead of others when making decisions. This shows an attempt from the government in office to achieve a state in which levels are different rather than superior to another. The above stems from a top down perspective, that is to say, the head of the institution promotes some practices in order to build more cooperative and collaborative spaces instead of imposing the national will over the regions. The dichotomy is produced when some public servants behave in the opposite way, which is understandable because of the long centralist tradition of Chile, meaning that a change of paradigm is not instantaneous. Thus even with the top-down promotion of horizontal relations between levels some public servants, from both the central and the regional level still replicate vertical relationships. This is a consequence of Chilean society characteristics regarding paternalism and legalism. From the national perspective the issue of misgivings about regional capacities usually arises; for them is difficult to encourage horizontal relations when mistrusting judgement and skills of regional personnel. From the regional perspective it is usually related to the central level not knowing regional realities. The next quote illustrates the centralist perspective:

'Las SEREMIs nacieron como brazos del nivel central y se acostumbraron a ser el brazo del nivel central ¿me entiendes? Entonces, como que el pensamiento estaba acá y ellos eran los ejecutores. Entonces, les faltó capacidad para detectar ellos cuales son las soluciones a sus problemas. Se acostumbraron a preguntar siempre y a hacer lo que les estaban ordenando. Eso se da mucho, se da mucho... Y cuando lo quieren hacer, ¿sabes cual es el problema? (...) las regiones que son medias independientes no lo han hecho bien. No lo han hecho bien porque desconocían, por ignorancia de cómo operar. Incluso ignorancia de la competencia que tenían (...) normalmente es el nivel central el que da las líneas, el que da las políticas. Y eso es lo que hay que transmitir. Porque tu materia es técnica, pero tienes que acentuar pa' donde va la micro.'

'SEREMIs were born as branches of the central level and they were used to being branches of the central level, you know? So, the thinking was here while

²⁴ See Bardhan, 2002; Rodríguez-Pose and Gill, 2003; Rodríguez-Pose and Bwire, 2003; Monge, 2005; Rodríguez-Pose and Sagall, 2008; and Rodríguez-Pose and Ezcurra, 2010.

²⁵ Burns, et al (1994) favour the strengthening of local institutions in decentralising processes and also encourage the inclusion of civil society.

they were the executors. So they lacked capacity to find solutions to their problems. They were used to always asking and doing what they were ordered. This happens a lot, a lot... And when they want to do it (find their own solutions), you know what the problem is? (...) The regions that are more autonomous have not done it well. They have not done it well because they did not know, due to ignorance of how to operate. Even, ignorance of the competence they had (...) usually it is the central level that gives the paths, that gives the policies. And that is what we have to communicate; because your theme is technical, but you have to emphasise towards what direction'

(INT 57 – Public Servant, Santiago 2010)

This interviewee expressed a lack of confidence in regional capacities arguing that SEREMIs personnel being used to receiving orders, meaning that regional public servants do not usually have initiative and when they have it, they make mistakes. Although she did not mention it, it is highly probable that she meant the problem with the IPTs that ended with the central level interfering in their approval (see below).

The promotion of horizontal relations and cooperation between levels is also possible from bottom up. This will depend on three factors: the skills of the personnel (Finot, 2001b)²⁶, the experience of the headships of departments and the expertise of the heads of SEREMIs (see fig 7-1). The construction of proactive spaces requires the combination of these factors as when united, they can empower SEREMIs and balance their relationship with Santiago; a power-balanced relation between levels is essential for decentralisation (Keating, 1998). A well-trained technical team with the right skills and enough experience is powerful, as they can develop good analyses and solutions for regional issues. Powerful regional teams also make stronger arguments when making technical decisions and proposing new initiatives. The next quote illustrates the experience of Valparaíso:

'Nosotros la verdad es que no pedíamos visto bueno. Nos manejábamos bastante autosuficientes porque consideramos que tenemos bastante conocimiento de los temas, por lo tanto no íbamos a escuchar ninguna opinión distinta llamando a Santiago. Pero últimamente hemos estado tan cuestionados que preferes tener la opinión de Santiago. Y nos hemos encontrado con que las opiniones tampoco son tan profundas, porque como estamos con el proceso de descentralización... Cuando es un tema más complicado se trata de que la región lo resuelva. Cuando

²⁶ He emphasises the need of training of personnel in order to achieve better results.

es un tema que no tiene mayor trascendencia lo que puedan decir, lo contestan directamente de allá, si uno tiene duda y lo pregunta. Pero si tú preguntas algo que es propio de la región, pero tienes ciertas dudas, preguntas, pides el apoyo al nivel central y te dicen 'resuélvalo usted porque estamos descentralizados y este es un tema que tiene que resolver el nivel regional'. Entonces al final nosotros tampoco necesitamos tanto apoyo del nivel central (...) Siempre estamos supeditados a eso, a que estamos descentralizados, pero igual dependemos de un gobierno central: de un ministro, de un subsecretario, de un jefe de la División de Desarrollo Urbano, un jefe de Políticas Habitacionales... Siempre estamos dependiendo de las jefaturas mayores que están en Santiago.'

'To be honest, we did not ask for any confirmation. We were quite self-sufficient because we think we have enough knowledge of the themes; so we were not going to listen something different calling Santiago. However, lately we have been so questioned that we prefer to have Santiago's opinion. And we have found that their opinions are also not that deep; as we are with the decentralising process... when it is a more complex issue, it is left to the region to solve it. When it is something about which what they say has not much transcendence, they answer directly, if you have any doubt and you ask. However, if you ask something that is specific to the region, but you have some doubts, you ask, you seek the support of the central level and they say 'Solve this by yourself because we are decentralised and the regional level has to solve this issue' So, at the end we do not need the support of Santiago (...) We are always subject to that, to be decentralised but we are also dependent on the central government: of a minister, a sub-secretariat, a Head of Division of Urban Development, a Head of Housing Policies... We are always depending on the headships in Santiago.'

(INT 51 – Public Servant, Valparaíso 2010)

This interviewee described the technical team of Valparaíso as very reliable, whose expertise at that time was well known in all SEREMIs MINVU; for example, there was permanent communication between the Head of DUI Tarapacá and the Head of DUI Valparaíso, as Valparaíso's team had more experience regarding some issues. However, the central level did not recognise it and sent contradictory signs to the region: on the one hand questioning their decisions and on the other reminding them that there were under a decentralising process. Therefore public servants complained of the lack of clarity regarding the degree of autonomy of the regions.

As formal channels are important within ministerial structures, it is not enough to have strong technical teams; the headships of departments are also important, as they are the ones who make bridges between the technical and the political personnel. Therefore, the experience of a headship is essential when convincing the Head of the SEREMI and Santiago about a proposal. This because a person that has been a Head of Department for several years has a good knowledge of sectoral and regional laws, which allows him/her to take advantage of all the spaces that the legal framework permit for raising his/her team's proposals. Finally, the expertise of the Head of SEREMI is fundamental for the negotiation of those proposals in the political sphere at the central level. One interviewee (Head of Department)²⁷ explained that working with Santiago is more than just following instructions; they can raise themes. For instance, once his team is ready with a proposal, or think there is a topic worthy of consideration by the national level, first of all he calls his colleagues in other regions and at the central level, seeking similar experiences and to find out whether the scenario is positive for the proposal they want to make. Secondly, he prepares all the arguments – both technical and political - in order to ensure the success of his proposal. And thirdly, he presents the proposal and the scenario to the Head of SEREMI who designs the strategy to present it to the central level. Thus, the interviewee pointed out that SEREMI MINVU Tarapacá has had several good experiences in which Santiago has accepted the regional proposals and it has even introduced them to the national programs, such as the case of the 'participatory pavements'. Some economically poor and sparsely populated rural areas are not a priority for the central state. In response, SEREMI MINVU Tarapacá developed the idea of combining the efforts of three sources: the community, its municipality and SEREMI MINVU in order to pave the streets in those areas. Santiago not only accepted this idea as something exceptional for that particular region but incorporated it into a generic national program to be applied all over the country. Thus, in any place without paved streets, an organised community - such as neighbourhood committee – can present an application to pave a street. The requirements for SEREMI MINVU are the support of the municipality, having housing development – sewerage and potable water systems – and the payment of between 5% and 25% of the total cost of the work –. This example shows how a good combination of skills, experience and expertise can create new cooperative spaces within the ministry and how SEREMIs can be proactive and raise topics to the national level. The following quote illustrates this:

²⁷ Interview 39, the interviewee had seven years experience being Head of Department at the time of the interview

‘Para mi hay proyectos en que uno espera las oportunidades. Por ejemplo, hoy todo el mundo está convencido de que hay que hacer un parque en el sector de ‘Las Canteras’. Yo no estoy de acuerdo, creo que es una zona donde podríamos hacer un proyecto habitacional a 10 años plazo. Pero como los períodos presidenciales son cortos y la gente está interesada en cortar cintas, no me toman en cuenta. Yo espero la oportunidad. Por ejemplo cuando viene un jefe de División a la región, llevarlo al área y plantearle el tema (...) Mira, yo veo a veces a Santiago como a un enemigo. Es decir, al inicio de las negociaciones hay que definir siempre estrategias: es un enemigo. Sin embargo, cuando los convences de que nuestra propuesta es la más adecuada son unos muy buenos socios.’

‘For me there are projects that one waits for the opportunity. For example, nowadays everyone is convinced that we should make a park in the ‘Las Canteras’ area. I disagree; I think that area is better for a housing project over ten years. However, as presidential periods are shorter and people are interested in ribbon cutting, they do not take me into account. I wait for the opportunity. For example when a Head of Division comes to visit the region, I take him/her to the area and I explain to him/her the idea (...) Look, sometimes I see Santiago as an enemy. I mean, at the beginning of the negotiations you always have to define strategies: it is an enemy. However, when you convince them that your proposal is the most suitable, they are very good partners.’

(INT 39 – Political appointee, Tarapacá 2009)

Certainly, this is a different way to approach the central level, but equally effective. It is difficult to sell regional ideas to the central level in Santiago when there is little chance that they know the area. Therefore, from the point of view of this interviewee when the opportunity comes one must take it. Also, the construction of arguments in order to convince them is very important for Tarapacá, as they do not have the population factor; therefore the public sector has learned to be more creative when justifying proposals.

Relationships between levels are built in function of communication and mutual acquaintance, which is a second disadvantage of Tarapacá Region in comparison with Valparaíso Region²⁸. As Iquique²⁹ is 1,800 kilometres³⁰ from Santiago, the number of official visits is limited in comparison to those to other regions³¹ so the knowledge of the central level about the region is also limited. For this reason, the interviewee explained that

²⁸ The first disadvantage is population

²⁹ Capital of Tarapacá Region

³⁰ Duration of a trip Santiago-Iquique: 2.5 hours by plane; 22 hours by car

³¹ Valparaíso city is 140 kms from Santiago

the key to working in the public sector is patience and tolerance to frustration, as many good ideas fail to materialise. On the other hand, an interviewee from Valparaíso region explained that although they can go easily to Santiago in order to discuss, negotiate and solve particular issues, they also had to endure the interference of the central level quite often. While Tarapacá complains of being abandoned by the central level, for Valparaíso being that close to Santiago is also a disadvantage because they receive more pressures. This is because Valparaíso Region is part of the central macro zone so that private and public investments are focused in that area. This means that the private sector often lobbies at the central level in order to get more favourable conditions for their investments – e.g. housing projects, hotels and so on. Also, being so near allows the ministry's personnel to go quite often to the region in order to monitor SEREMI's work. Although, peripheral regions enjoy more freedom in this regard, they also feel the abandonment because Santiago does not usually give them high consideration.

Another issue regarding informal channels (see fig 7-1) is related to the adaptation and/or interpretation of national policies at the regional level. Formally, it is not possible to adapt or interpret the law or national policies; however, due to the diversity of Chilean territory, sometimes the central level overlooks certain issues in the regions. For example, there is a requirement in the Law (LGUC) and its Ordinance (OGUC) of a certain percentage of 'green areas' in urban spaces, which should be applied all over the country. However, as the northern regions are located in the Atacama Desert it is absurd to ask them to provide 'green' areas. Therefore, the requirement of public spaces is re-orientated to other types of open space, such as parks and recreational areas with gravel paths, stone benches and sunshades, instead of trees, grass and fountains. The flexibility of the central level regarding some issues varies according to the minister's perspective. Thus, Minister Poblete was praised by the regional personnel of MINVU as she was quite flexible, recognising Chilean diversity and the need for regional adaptation when applying the law.

'La relación SEREMI-Ministerio depende mucho del ministro que esté. Por ejemplo, con la llegada de la Ministra Poblete se les dio bastante libertad a las regiones a objeto de que las políticas nacionales puedan ajustarse a las realidades regionales. Y además, ha sido muy abierta a considerar las propuestas de la región para la adecuación de algunas políticas nacionales. Por ejemplo, el subsidio habitacional era de 330 UF para todo el país pero la región hizo un estudio que nos dio los argumentos para pedir más, pues con esa plata en algunas comunas no nos alcanzaba (...) Hay circulares que te mandatan a hacer ciertas

cosas a nivel nacional, pero eres tú la que tiene que ajustar esa circular a tu realidad regional (...) son lineamiento estratégicos.'

'The relationship between the SEREMI and the Ministry depend a lot on the minister in office. For example, with the arrival of Minister Poblete greater freedom was given to the regions in order to adjust national policies to regional realities. Also, she has been very open to consider regional proposals to adapt some national policies. For instance, the housing benefit was of 330UF³² over the whole country, but the region made a study that underpinned the argument to ask for more, because that amount was not enough in some communes (...) At a national level there are circulars that order you to do certain things, but you are who has to adapt that circular to your regional reality (...) they are strategic guidelines.'

(INT 40 – Political appointee, Tarapacá 2010)

The interviewee highlighted that the key between national and regional relations is the minister, who can exacerbate or attenuate the vertical structure of ministries. In this case they had a minister that is willing to give more participation to regions and who promotes horizontal relationships; however, the next one might be the opposite. Therefore the characteristics of the headships seems to be more relevant than regional strengths, which is consistent with the culture of 'Yes, sir' so embedded in Chile. This attitude might explain in part why Chilean decentralisation is a top-down process, as the state personnel and people in general are used to following the guidance of a leader. Despite the positive sign of these attempts towards more balanced relations between levels, this is not enough. SEREMIs have little space to develop their own strategies, but they can adapt, interpret and propose issues that are not relevant to the region such as the example of the green areas. An example of this is what happened with Art 55° of LGUC. This is an article of exemption that can be used in rural areas for the subdivision of land into sections of 5,000m². Its uses were discretionary, which means that it was the Head of the SEREMI – or the Head of the Urban Development' Department - who decided when and where to apply it. As a consequence, some regions took advantage of this in order to develop urban areas outside the provision of the Territorial Planning Instruments (IPTs), while others applied the article in a more restrictive way. Thus SEREMIs interpreted this article differently and

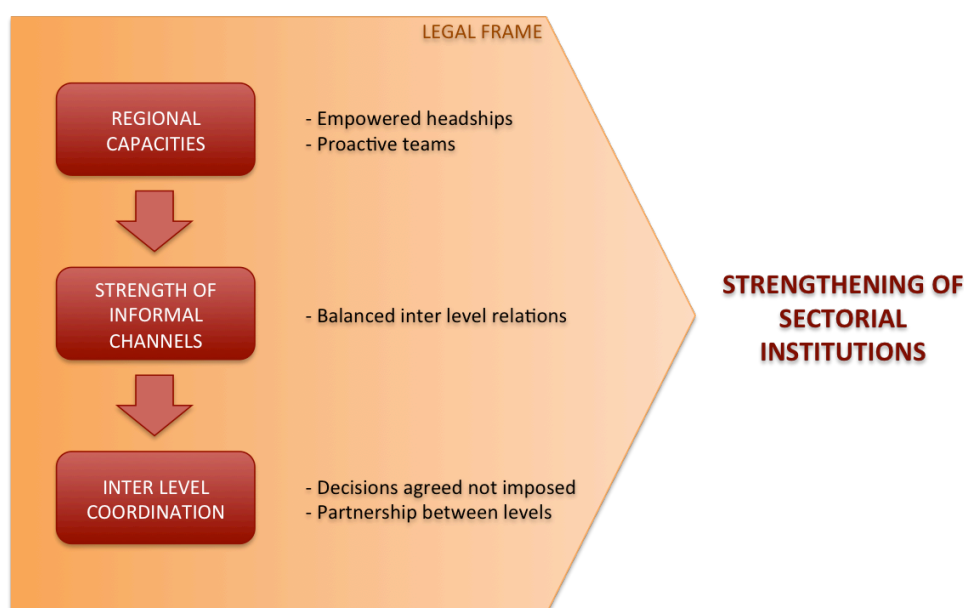
³² 'The Unidad de Fomento (UF) is a Unit of account that is used in Chile. The exchange rate between the UF and the Chilean peso is now (today) constantly adjusted to inflation so that the value of the Unidad de Fomento remains constant on a daily basis during low inflation' (Wikipedia). Usually housing transactions are done in UF. 330UF = 9448 pounds (25/09/13)

used it for territorial planning. Often the approval process for IPTs takes years, so regions used Art 55° while waiting for their approval in order to have a legal tool for the promotion or restriction of the use of certain areas. In 2003 the law was modified and the Art 55° re-written in order to make clear when and how it can be applied as the central level distrusted regional judgement. This example shows that when there are some flexibilities within national policies, the central level seeks to unify criteria and makes more specific regulations; thus there is scarce room for adaptation and interpretation of the law and guidelines.

Formal and informal channels shape different practices within an institution. While formal relations between levels are based on the legal framework, informal relations rely on the characteristics of individuals. The obvious outcome of this is that formal channels strengthen verticality while informal channels might favour more cooperative relations (fig 7.1). In the next section the degree of autonomy of SEREMIs will be analysed.

REGIONAL DEPENDENCE VS REGIONAL AUTONOMY

Fig 7-2: Key factors of regional autonomy



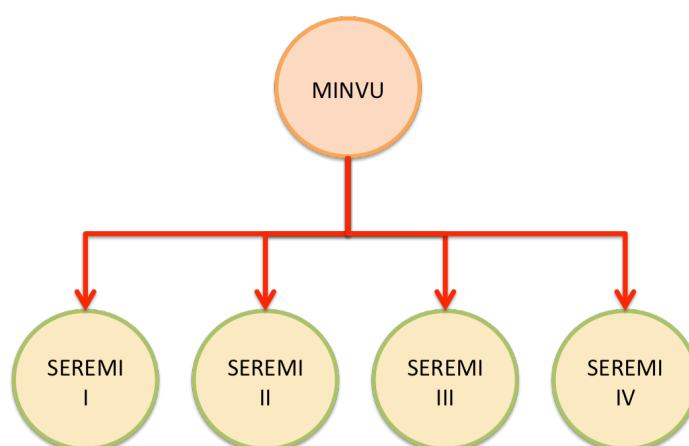
In this section the dependency and autonomy of SEREMI MINVU will be analysed from different angles such as the formal status of SEREMIs, the decentralisation stage of the Ministry, the coordination between levels, role and capacity of ministerial personnel, regional vs. sectoral struggles, decision-making and informal relations within the ministry. Decentralisation in Chile is a process implemented mainly through legal reforms that define the structural framework of the state institutions at different levels. This, although a

step, is not enough to guarantee a real devolution of power decisions to subnational levels. The legal status of SEREMIs is that they are deconcentrated branches of the state but highly embodied in their ministries³³. The law allows the delegation of some functions, which gives them a certain degree of autonomy. However, this autonomy is not legally defined. The key factors that defined the degree of autonomy of a SEREMI identified in this research are: regional capacities, strength of informal channels and inter level coordination (see fig 7-2³⁴).

As explained above formal relations in Chilean institutions are characterised by highly hierarchical vertical structures, in which the national level is clearly superior over the regional level (see Fig 7-3³⁵). Within formal channels SEREMIs are mainly executors of national commands and the communication is usually one-way: top-down. Despite this, there is space for some flexibility and sometimes the regions are able to raise their issues so that MINVU incorporates them to national policies such as the case of the Participatory Pavement's Program discussed.

Despite its vertical structure, it is possible to recognise an early stage of decentralisation within MINVU, which is known as administrative decentralisation or deconcentration (Finot 2001a; Bardhan, 2002; Montecinos, 2005). Because other ministries are much more centralised, most of the respondents from MINVU described it as a decentralised ministry. The next quote shows the current formal relation of autonomy of SEREMIs with the central level.

Fig 7-3: Formal channels



³³ Law 19.175 of Regional Government and Administration. Art N° 61, 63 and 64

³⁴ Source: author

³⁵ Source: author

‘Nosotros tenemos, como SEREMI y como Director de SERVIU en lo que es sector Vivienda, competencias delegadas. Por lo tanto, la responsabilidad de las decisiones las tenemos nosotros. Pero tú ocupas a los compañeros de Santiago como ente consultivo a objeto de que ellos te den la opinión de lo que tú estás pretendiendo hacer. Y tú puedes tomarla o dejarla.... Asumiendo las consecuencias de que si te equivocaste es tú responsabilidad el error. Yo creo que cuando a ti te empiezan a traspasar competencias, la idea es que hay un período – al menos es lo que ocurre en el Ministerio de Vivienda – hay un período de mucha coordinación. Como de ajuste, como de ir viendo qué materias se pueden transferir. Porque qué ocurre... Y ahí hay que hacer un mea culpa a nivel de regiones... Es mucho más fácil siempre echarle la culpa que las cosas no resultan porque el nivel central no quiso que resultaran, en vez de decir que en la región no se hizo todo lo que había que hacer para que las cosas llegaran a buen puerto. O sea, hay una situación ahí...(...) En el caso nuestro, nosotros hemos tomado decisiones que han tenido sus costos, pero que siempre nos han apoyado absolutamente (...) yo creo que en el sector vivienda (la descentralización) no es un discurso de papel. Lo que nos han recalcado es ‘oye, nosotros estamos dispuestos, pero tienen que hacerse responsables’ O sea, el tema es que después no vengamos a llorar sobre la leche derramada ‘que no sé qué’ o ‘que no nos dieron las herramientas.’

‘We have some delegated competences, as Head of SEREMI and Director of SERVIU³⁶ within the housing sector. Therefore, the responsibility for the decisions is ours. But you use the colleagues in Santiago as a consultant entity in order to have their opinion regarding what you are planning to do. And you can take or leave it... Assuming the consequences that if you made a mistake, you are responsible for the error. I believe that when competences start to be transferred to you, the idea is that there is a period – at least that is what happens in the ministry of Housing – there is a period of much coordination. An adjustment period for the evaluation of what issues can be transferred. Because, what happens... And there we need to recognise our fault as regions... It is always much easier when things go wrong to blame the central level for dragging their heels instead of saying that the region did not do everything it should have done in order to succeed. In other words, there is a situation there... (...) In our case, we have taken decisions that have had their costs, but they (central level) have always supported us (...) I think that in the housing sector (decentralisation) is not empty words. What they (central level) have highlighted is ‘hey, we are willing, but you have to be responsible’ In

³⁶ SERVIU: Servicio de Vivienda y Urbanismo / Service of Housing and Urbanism.

other words, the point is that later on we will not cry over the spilled milk, 'that I don't know' or 'that you did not give us the tools'

(INT 40 – Political appointee, Tarapacá 2010)

Being at an early stage of decentralisation the interviewee accepts the intervention of Santiago as part of a transitional period. The key element from her perspective is that regions must take responsibility for their actions and decisions; otherwise they will always be dependents of Santiago. Therefore, empowered and skilled headships are fundamental to strengthen regional capacities, meaning that regional headships with good technical knowledge and political expertise will develop more balanced relations with the upper level. Although the degree of regional autonomy is questionable, having clear guidelines from the central level helps to channel regional decisions; on the other hand, experienced officials can gain the trust of Santiago so that the autonomy of a SEREMI increases. However, as this is on the basis of individuals skills and expertise, every time the key actors change – minister, subsecretariat, head of divisions, head of SEREMI, head of department and so on – it is like starting again; SEREMIs constantly have to prove themselves to national authorities in order to gain their trust. Therefore, continuity is very important. Regions with people that have worked together for several years are stronger as the personnel know each other and take advantage of individual skills in order to build solid teams. An important step regarding this matter is that since 2010 headships of departments – in all state institutions, regional and national – need to apply to get a three years position³⁷. This gives them freedom and continuity, as they can apply again after three years. When the teams are too young, inexpert or with a great turnover of staff, the relation with Santiago tends to be closer. This is because new personnel tend to ask about everything – due to lack of knowledge of the practices within the institution, ignorance or lack of self-confidence. On the contrary, when the teams are consolidated, the contact with central level is usually less as people have enough experience on the 'know-how' of their service. In this regard, the regional critical mass may be also relevant as regions with more population have a greater number of staff than regions with less population, so the team is less vulnerable as it relies on more people. For instance, Tarapacá's team had a good combination of experienced headships and consolidated technical teams; however, the departure of three professionals from one department³⁸ in 2007 unbalanced the SEREMI. As the new staff were very proactive and willing to learn, the good reputation of Tarapacá

³⁷ Until 2010 it was a political appointed position.

³⁸ The Department of Urban Development and Infrastructure (DUI) of Tarapacá had 7 people at that moment, while DUI Valparaíso had 14

remained; however, they needed more support from the central level as the department was in an adjustment period. The following quote refers to the case:

‘Hay un tema de capacidades, uno tiende a pensar que hay mayores capacidades en el nivel central. Entonces uno llama o manda un correo para corroborar lo que está pensando respecto a un tema... Eso te deja más tranquilo (...) La SEREMI de Tarapacá en los últimos años ha cambiado muchos funcionarios, se fueron los 3 que llevaban el peso del Departamento y ha llegado gente nueva. Entonces, somos profesionales jóvenes, con poca experiencia. Eso nos hace dirigirnos al centro más a menudo para asegurarnos de que estamos tomando las decisiones correctas. En ese sentido las universidades no nos preparan para el mundo de lo público’

‘There is an issue of capacities, one tends to think that the central level has greater capacities, so one calls or sends a little e-mail to corroborate what one is thinking about on an issue... that gives you ease (...) In the last years the SEREMI of Tarapacá has changed many public servants, the three who run the Department have gone and new people have come; thus, we are young professionals with little experience, which makes us address the central level more often to reassure us that we are making the right decisions. In that way, universities do not prepare us for the public system’

(INT 37 – Political appointee, Tarapacá 2009)

Therefore the role of individuals and the teams of different departments define regional capacities. SEREMIs become stronger when having empowered headships and proactive teams. The abilities of the Head of SEREMI in Tarapacá – leadership, political management, technical skills, experience and so on - were praised by most of the respondents from the region (including other institutions) and from the national level of MINVU. Thus, SEREMI MINVU Tarapacá under her administration enjoyed a good degree of autonomy.

The second factor favouring regional autonomy is the strengthening of informal channels as they can help to balance the relationship between levels. The construction of informal channels within MINVU can change the flux of relations between levels and among SEREMIs of different regions. Despite the formal channels, the key actors have been able to take advantage of the scarce spaces for flexibility, generating proactive and

collaborative practices within the ministry, thus raising regional issues and adapting national policies to regional realities. These new practices strengthen SEREMIs in many ways, for example encouraging proactive behaviour, creating collaboration inside the institution and with other SEREMIs of Housing and Urbanism, generating synergies, giving more experience to the team so it grows and it is more confident about its proposals, and so on. All of this allows SEREMIs to have a more balanced relationship with the central level, as they are well prepared to respond to regional needs within the legal frame of their sector. For instance, SEREMI MIVU Valparaíso had a strong team – technical and political – and it was respected by all SEREMIs over the country and by the central level. That led them to propose modifications and adaptations to national policies that even transcended their sector, including other SEREMIs – such as Agriculture, Environment and Public Works among others – in the design of more holistic IPTs. During several years the central level accepted and even encouraged these practices, until 2009 when the Division of Urban Development (DDU) cut the ground from under SEREMI’s feet. This will be explained below.

Fig 7-4: Informal channels

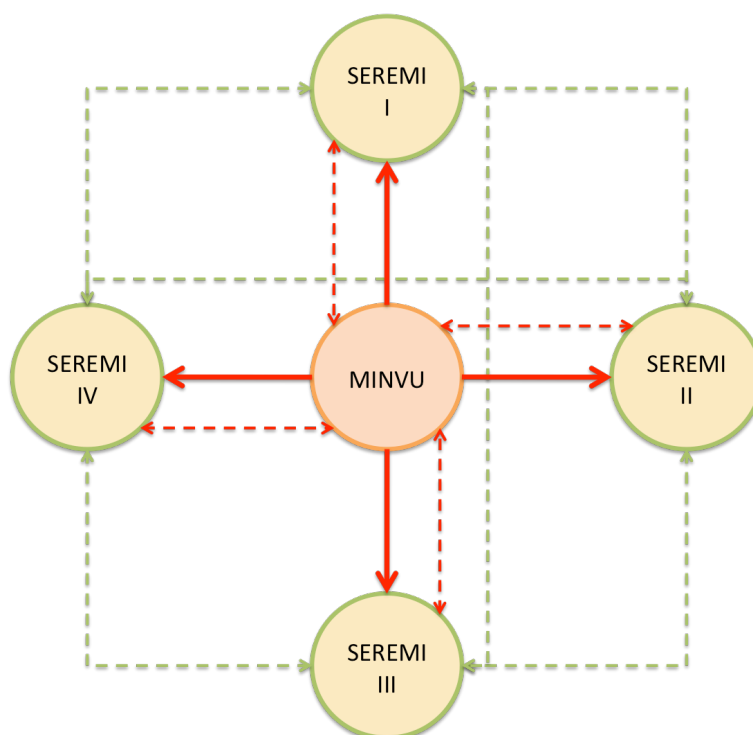


Figure 7-4³⁹ shows the same institutions as fig 7-3 but within a different net of relations. Formal relationships are the same, from the ministry to its SEREMIs; however, their position has changed, as they are around MINVU instead of below. This shows a

³⁹ Source: author

partnership relation, as the minister in office (2006 - 2010) was encouraging during her administration. Besides, the figure shows additional two-way communications between regional and national level, and also, among the regions.

Although the legal frame does not establish inter-regional relations, when those are produced, there are several benefits such as better coordination, collaboration and preparation to respond to people's needs. Inter-regional relations strength the whole ministry because it can work as one body with thinking tentacles – in other words, SEREMIs able to have a more balanced relation with the central level are also more prepared to face their problems and develop solutions. Although decentralisation in Chile is a top-down process, deeply rooted in legal reforms, this is not enough to change the paradigm of a centralist state (see De Mattos, 1989). To build decentralised structures and practices, individuals have to take an active role in order to balance the relationship between levels. Therefore, the change of formal channels on their own is not enough; it has to be accompanied by a change in the state personnel's culture.

When SEREMIs share experiences they enrich their knowledge and can produce synergies in order to solve common issues. The ministry has encouraged inter-regional meetings regarding specific topics such as workshops and training courses on planning – e.g. incorporation of Environmental Impact Assessment into planning instruments, contracting a third party for specific studies etc. Besides the professional benefits of these meetings, another element is the friendship and collaboration between people that have worked in more than one region as this gives them better connections inside other regions. There were several respondents that have been in more than one region, which give them a great advantage when facing new challenges at work as that experience gives them a wider understanding of regional diversity and the importance of having flexible spaces in order to adapt national guidelines to regional realities. Hence the interchange of experience and collaboration with other SEREMIs gives a wider understanding of Chilean realities to the staff with similar experiences, knowledge that can be shared at every opportunity they have workshops, seminars and training courses.

The third factor identified is inter-level coordination. Well-coordinated relations between levels are key for the success of sectoral decisions as this allows issues to be discussed and agreed between both levels rather than decisions simply being imposed by the upper level. Thus the relationship with Santiago changes from being a vertical one to a partnership. In the case of housing much of the tension between the central and the regional level is rooted in specific situations regarding the regulations and restrictions that certain areas have for construction. For instance, a great deal of day-to-day struggles in this

area is associated with the pressures that the Ministry of Housing and Urbanism is subjected to from economic interests. The Chilean Association for Construction⁴⁰ and the large construction companies of the country are usually lobbying on every front possible in order to persuade MINVU to make regulations that promote construction rather than restrict it. This is more intense within the central macro zone; therefore the Valparaíso region faces more problems than Tarapacá regarding this issue. Having a good communication between regional and national level allows the ministry to respond these pressures consistently and co-ordinately across all its branches.

As there are some functions that have been delegated to SEREMIs - such as change of land use in rural areas (Art 55°) and the interpretation of planning regulations at regional, intercommunal and communal scales - sometimes they face conflicts with other institutions – public or private – as they have the final word over land use issues in the region. These include, for instance, the promotion of certain activities in unsuitable areas - such as polluting industries near populated areas or housing projects in risky areas – or initiatives that do not accord with the territorial planning of the SEREMI for the region. When the conflict is produced between sectoral and regional interests, SEREMI's personnel usually align with the ministry as their loyalties are always with their sector. Therefore, a constant communication between the Head of SEREMI and the Sub-secretary or Minister helps to avoid intra-ministerial conflicts and may assure the support from them in the case of disagreements between SEREMI MINVU and GORE or another public or private institution in the region.

Table 7-1: Strategies of regional actors at the central level

STRATEGIES	KEY FACTOR	RESULTS
Use of arguments	Skills, expertise and experiences of actors	Persuasion of national authorities with technical and political arguments in order to get support.
Use of political influence	Connections and political weight in Santiago	Use of political parties and their influence in the government in office in order to get support.

Regional struggles usually end at the central level, which not only interferes and makes the decision, but sometimes even removes a regional headship. Some respondents from SEREMI MINVU recounted that they had been several times in conflict with the Intendente in office, requiring the intervention of the central level to solve it. For this reason, one of the interviewees recognised that she was constantly calling the central level

⁴⁰ Cámara Chilena de la Construcción

in order to be coordinated with them. She also explained that her reasons were to raise awareness of regional issues and keep the central level informed of her decisions; she was not asking for instructions but confirming that the central level supported her decisions. Often, when a SEREMI has a disagreement with an Intendente regarding a project or specific issue, the discussion is raised to the central level because a SEREMI has a lower rank to an Intendente; therefore the Heads of SEREMI look for support to his/her Minister, who does have the same weight within the state structure - same salary, both appointed by the President of the Republic, etc. In those cases the actor who usually 'wins' is the one who has a stronger political influence, although technical and political arguments are important too (see table 7-1⁴¹). For instance, one conflict involved the implementation of a housing project before the SEREMI had approved the land feasibility for that. The Intendente in office wanted to speed things up and was ready to call a private company to start the project. The SEREMI strongly opposed the Intendente, as the law requires the SEREMI's report and if it is favourable it is necessary to call for a public tender in order to choose the most suitable company. The conflict got bigger and the Head of SEREMI asked for the support of the Minister; in the end MINVU's regulations prevailed and the Intendente was admonished. Most of the examples given have the same pattern: the Intendente commands something against sectoral policies, so SEREMI disagrees. The fact that in Tarapacá all political appointee's personnel of SEREMI MINVU remained in their positions, while 5 Intendentes passed through the Regional Government during the period 2006 – 2010 proves how strong sectors are in comparison with the regional governments; so within the regions usually sectoral decisions prevailed.

'Si bien ha decidido Santiago, siempre ha estado como la opinión de la SEREMI versus el Intendente y ha ganado la SEREMI. Entonces, yo creo que es una decisión regional, porque Santiago no le ha impuesto a la SEREMI, sino que la ha apoyado'

'Although Santiago has decided, it has been always the opinion of the SEREMI vs the Intendente and the SEREMI has won. So, I believe it is a regional decision because Santiago has not imposed on the SEREMI but supported it''

(INT 35 – Public servant, Tarapacá 2009)

⁴¹ Source: author

This interviewee later on contradicted herself when she pointed out that SEREMIs are not autonomous as if they make a decision against the will of the central level, the Head of the SEREMI, and many below her/him, would be removed from their positions instantly. *‘In my experience it is what Santiago wants that is always done, but it has not been bad; thank God it has been the right thing, technically speaking⁴²’*. This demonstrates that even among MINVU’s personnel there is no clarity about who makes decisions, as formal and informal channels are often used interchangeably according to the circumstances. However, when there is a good inter-level coordination who takes the decision ceases to be paramount, what matters is that the decision is taken together jointly.

Thus, a permanent communication with the minister and sub-secretariat is fundamental for SEREMIs in order to be in coordination with them and to make decisions in line with Santiago, in other words, even having the faculty to make some decisions, officials prefer to raise awareness of their issues and test whether their solutions are according to the interests of the national level. SEREMI’s personnel pointed out that the reason behind this ongoing consultation with Santiago is that regional headships are appointed, so they are afraid of removal if they do something against the minister’s guidelines. The next quote clearly explains it:

‘Mira en el cargo que yo estoy una de las cosas que prima es la confianza, yo estoy en un cargo de confianza política. Si yo el día de mañana no tengo la confianza de mi jefe, me sacan del cargo y ponen a otra persona’

‘Look, in my position one of the most important things is trust, I am in a political appointee position; if one day I do not have the trust of my boss I will be removed and he/she will put someone else’

(INT 39 – Political appointee, Tarapacá 2009)

While the regional headships continue being appointees there will be no real autonomy for them. For instance, in Tarapacá during the Bachelet government there were 5 Intendentes and 4 Directors of SERVIU. Interviewees pointed out that all of them had the trust of the central level (President or Minister) when they were appointed, some of them even being from the same political party as the minister in office, which shows the vulnerability of the position. Regarding that, public servants enjoy more freedom to do what they think is appropriate or to express their mind, as they cannot be removed so easily

⁴² ‘En mi experiencia, siempre se hace lo que Santiago quiere, pero no ha sido malo, ha sido lo correcto técnicamente, gracias a Dios’ (INT 35 - Public servant, Tarapacá 2009).

- it is necessary to prove that there was a breach of contract. Thus, formal relations within a ministry shape the behaviour and work practices of its personnel, which many times hinder the process of decentralisation, especially, when regional headships are so vulnerable. However, as it was shown in the first section of this chapter, proactive individuals can develop informal channels in order to reach some goals. However, total autonomy is not recommendable, as there have to be strategic guidelines from the national level in order to move forward in the same direction.

The three factors analysed – regional capacities, informal channels and inter-level coordination – strengthen sectoral institutions. However, although this sounds good on paper, reality is different. The minister in office during the period of 2006-2010 promoted more horizontal relations and strengthened informal channels in order to get greater coordination between levels and to give more autonomy to the regions. At the same time SUBDERE was negotiating the transference of regional and intercommunal instruments of territorial planning (IPTs) – Regional Plan for Urban Development (PRDU) and Intercommunal Regulator Plan (PRI) respectively - from SEREMIs MINVU to GOREs, to which DDU was strongly opposing; so negotiations were very hard⁴³. And in third place, the program for updating IPTs that MINVU had implemented since 2002 all over the country was not giving the results they wanted. After 4 years and an investment of US\$20 millions, less than 10% of the IPTs finished have been approved. The combination of these three elements made DDU seek the re-centralisation of the IPTs. On the one hand, the Head of DDU in office opposed the idea of decentralisation and the transference of competence to the regional governments; he supported the idea of a strong and vertical relation with the regions. And, on the other hand, DDU blamed the incapacity of SEREMIs for the scarce results they have had updating IPTs.

Until the 1980s the IPTs were all dependent on the central level. In the 1990s that was modified so that regional and intercommunal IPTs were designed and approved within the region with no intervention from central level, and communal IPTs were designed by the municipality and approved by the SEREMI MINVU and GORE. However, in 2009 the DDU sent a new directive to SEREMIs where it was settled that before they could approve an intercommunal IPT⁴⁴ they had to send it to the DDU for revision. Once the Plan had the ‘OK’ from DDU it could continue with the normal procedure of approval. The next quotes show the reaction of SEREMIs regarding this issue:

⁴³ Respondents from SUBDERE willingly gave details of the negotiations, however when interviewing people from DDU they avoided the topic or took a stance of indifference.

⁴⁴ Regional planning had passed to GOREs and Communal planning remained at the local level

‘Hace unos meses atrás estamos volviendo a los años 80, porque nos ha llegado un instructivo de que los estudios que se hagan, por los menos los planes intercomunales, tienen que pasar por Santiago para tener visto bueno de la DDU antes de entrar al proceso de aprobación (...) Esto es por todo lo que se demoran en aprobarse... Por lo que Santiago asume que cometemos muchos errores, muchas faltas. Por desconocimiento, a lo mejor de la normativa, de la legislación, de los procedimientos...’

‘Since a few months ago we are going back to the 80s, because a directive has arrived that says studies, at least intercommunals, have to go to Santiago for the ‘OK’ of DDU before going into the approval process (...) This is because of the lengthy delays in approval... so, Santiago assumes we make too many mistakes, too many faults; for lack of knowledge, maybe of the norms, of legislation, of procedures...’

(INT 51 – Public Servant, Valparaíso 2009)

Respondents from Valparaíso saw this as a signal of distrust of regional capacities. Furthermore, a political appointee from that region complained that Santiago does not want to let go of regions, that the autonomy given is always limited because the state does not want to ‘release the reins’ and keep the decision-making on what, how and where to spend resources⁴⁵.

The reactions in Tarapacá were different as the team had been recently renewed the change was seen as a normal response of the ministry regarding mistakes committed designing IPTs; therefore they could not be approved. A respondent from DUI explained that the change was produced because there were too many problems with Contraloría⁴⁶ because some IPTs regulated things exceeding their powers; and he added that the answer should be more training instead of control “*the Division of Urban Development already has a huge number of issues to solve, to receiving additional revisions of territorial plans; so I think it is a measure that comes from the urgency but in time (...) what is important is to generate the competences*”⁴⁷.

⁴⁵ ‘El Estado nunca ha querido soltar las riendas. Santiago sigue llevando la toma de decisiones en el qué, el cómo y el dónde se gastan los recursos’ (INT 49 - Political Apointee, Valparaíso 2009)

⁴⁶ It is the institution that checks things are according to the law. I don’t know how to translate this to UK system

⁴⁷ ‘la División de Desarrollo Urbano ya tiene una cantidad enorme de cuestiones por resolver para que además durante el año lleguen revisiones de planes reguladores. Entonces yo creo que es una medida que surge de la urgencia pero yo creo que en el tiempo (...) lo importante es generar las competencias’ (INT 37 – Political Apointee, Tarapacá 2009)

This example raises the issue that an attribution that was absolutely regional has been centralised again; therefore the relationship of dependency increased as well the tension between levels. Does this mean a return to the core? Although the Bachelet Government innovated in issues such as increasing governance, thematic round tables and gender inclusion, at the same time there was a re-centralisation of some decisions – IPTs approval is just one example - during her government.

The strengthening of sectoral institutions is very important in order to have more coordinated response to citizenry at every level; however, it is important to keep in mind that within the Chilean state, sectoral still means central. Therefore, the strengthening of SEREMIs deconcentrates the central state but it does not truly decentralise it. For instance, power struggles between regional and sectoral interests are resolved at the central level, when decentralisation should promote channels for integrated and holistic solutions within the region rather than sectoral at the central level. Despite of all different points of view regarding decentralisation, a genuine desire for greater autonomy is expressed by most of interviewees from SEREMIs, which is mainly related to the interest of providing a better response to regional needs.

Finally, the relation of dependency or autonomy of SEREMIs from the central level is quite unstable, as it is vulnerable and changeable depending on factors such as regional capacities, actors involved, conjuncture and interlevel coordination.

CONCLUSIONS

Formal and informal relations shape working practices within institutions, which will be more cooperative and proactive if the actors involved are willing to take advantage of them. Relationships within the ministry are vertical and hierarchical, but state personnel seem to be more comfortable with informal relations by email or phone, where they can clear up minor matters or make alliances in order to develop an idea or raise an issue to the headships. Coordination inside the institution and with the upper level is fundamental to achieve the agenda of the ministry, so the personnel privilege the good relations with colleagues and collective work.

The relationship of dependency with the central level is also exacerbated by sectors when they have power clashes (disputes) with other public services or regional government. In those cases, sectors see the central level as a solution, an ally (or champion) who can fight their fights. So, when a disagreement occurs within the region,

each sector goes to their own ministry asking for support, the conflict is solved at ministerial level and sectors do in the end what they are told to do.

SEREMIs are highly sectoral, which means they have a slanted point of view; when the Regional Government proposes ideas, projects or strategies that can be very good from a regional perspective, but that affects them from a sectoral point of view, the first reaction is to call for support the ministry and look there. Therefore, their desire for greater autonomy is regarding specific issues within the ministry, such as greater participation in the programming budget. Regional personnel have a desire for greater autonomy but they do not want to be totally decentralised because they understand that strategic guidelines from the central level are essential for harmonious development of the country.

Regional capacities – empowered headships and proactive, knowledgeable and skilled team work – are essential to position SEREMIs within the central level in a more balanced relationship. The strengthening of informal relations among SEREMIs from different regions also give them a wider understanding of the Chilean territory and its needs and helps them to develop better and more suitable solutions for their own issues.

Finally, coordination between levels is fundamental to have a good articulated institution in which the central level gives the strategic guidelines and SEREMIs adapt and implement them according to their realities.

CHAPTER VIII

CONCLUSIONS

This last chapter deals with the conclusions of the thesis, aiming to tie up the critical thoughts, contributions, findings and further implications of this research. Thus, the first section is about the methodology chosen and the answers to the research questions, the second deals with broader reflections from the study, the third section addresses the overall conclusions, and the fourth considers further steps from this research.

METHODOLOGICAL THOUGHTS AND RESEARCH QUESTIONS

This research set out to examine the process of decentralisation in Chile; it focused on its administrative and political aspects within the state structure at the national and the regional level. The research questions were rooted in three main concepts: decentralisation, power and the state. Although all these concepts were addressed in the three research questions, each one emphasised one of them. Thus, the first research question was about how decentralisation is understood and applied in Chile, linking it with the discourses defined by Rodriguez-Pose and Sandall (2008); the second one analysed to what extent the reforms of 2005 and 2009 empower the regional governments, emphasising the perspective and agency of the relevant actors involved in the process (Jones, et al 2004; Theodore and Peck, 2010); and the third one studied the relationship between the national and regional level within the state structures, which establishes the stage of decentralisation in Chile based on Keating (1998). The research was mainly based on semi-structured interviews and in-depth conversations in order to characterise the process from the individuals' perspectives. In other words, the research was a bottom-up construction of a top-down process. Chapters V, VI and VII deal with the findings regarding these questions.

Every research is a quest, in which the only certainty is the starting point, as even having a plan one can never be sure where it will end; unpredictable events can affect it or something can go wrong, but never mind, as long as the desire to learn remains. The researcher requires an adventurous spirit for this journey, to be as much prepared as possible for eventualities or unexpected developments, and to have an open mind about the outcomes that can emerge. Thus the first reflections of these conclusions are related to the methodology chosen.

Qualitative research (Marsh and Stoker, 2002; Bryman, 2004) was chosen in order to answer the research questions from a constructivist perspective, as the state was understood as a social relation (Jessop, 1997); therefore the actors involved are influenced by the society in which they are embedded. Driven by the desire to shape decentralisation from different points of view, the research was designed to include as many actors as possible. However, more is not always the better and the number of respondents per

institution could have been less – as two or three per institution would have been enough to reveal a certain point of view. Nevertheless, the way that participants were approached and data collected seemed to be appropriate as semi-structured interviews and in-depth conversations allowed the free construction of ideas and interpretations. Furthermore, the instrumental case study adopted was suitable for this research, as it enabled the study to relate the process of decentralisation in Chile to broader research questions and debates. Finally, as in any quest, this research was a learning process in which the experience gained was valuable.

Decentralisation is shaped by three different dimensions or spheres: philosophical, political and technical. First, the philosophical dimension, in which broader ideas and streams of thought frame the understanding of decentralisation of the key actors e.g. the political, economic and cultural discourses defined by Rodríguez-Pose and Sandall (2008). The discourses identified in the Chilean case were four: regional autonomy, democracy, regional development and state response. Although those four discourses are currently entangled and lead the arguments towards decentralisation, a shift from the political discourse in the 1990s to a combination with the economic discourse during the 2000s was observed. Regionalism (Keating, 1998; Cuesta, 2006) has been gaining strength and becoming more important at both the national and the regional level, while the cultural discourse is used, although infrequently, only by respondents from the regional level.

The interpretation of the discourses shapes the political dimension, which is about decisions. Political decisions - such as whether to take or not action towards decentralisation, the design of strategies and specific policies, and the way those will be implemented – are taken at the central level in which SUBDERE acts as the driving agent of the process. Other key actors within this dimension are also based at the national level: the government in office and the Congress. This research has analysed two specific decisions that have been made, shaped and implemented in a top-down fashion: the direct election of regional councillors and the creation of DIPLAD. These two reforms (decisions) are framed in the discourses identified above; thus the direct election of regional councillors is rooted in regional autonomy and democracy discourses, while the creation of DIPLAD is rooted in regional development and the state response.

The interpretation of decisions by relevant actors shapes the technical dimension, which is focused on concrete actions in order to implement the decisions that have been made. SUBDERE remains as the driving agent to coordinate the implementation of the reforms, which is positive as it can ensure consistency between political decisions and technical actions; but it also gives hints over the tendency of Chilean institutions to keep

control over the issues they consider their own, revealing their scarce capacity for delegation. Other actors involved within the technical dimension are regional governments and the ministries, including both political and technical staff at national and regional level.

The two reforms analysed in this research aim to increase the autonomy of the Regional Council from the Intendente and to change the balance of forces within the regions i.e. shift their gravitational centre. The first election of regional councillors took place in November 2013, the elected candidates will take up their positions in March 2014, therefore little can be said about its impact so far. The fact that the Intendente will not be the Head of the Regional Council is undoubtedly a good first step furthering its independence; however, elected regional councillors are not enough to change the practices and status of regional councils, as they are still part-time positions and have limited influence over public decision-making. On the other hand, given that the first election has just taken place and that Chilean decentralisation is an ongoing (though slow and contradictory) process, the influence and status of regional councils may increase over time.

Implementing and positioning DIPLAD within the regional government and the regional arena have been the main tasks of the new Divisions since their creation in 2007. The main difficulties are related to the tension between the centre and the regions, and the origins of state personnel. The centre usually imposed decisions over the regions while the regions mistrusted policies generated and designed at the central level. SUBDERE has implemented decentralisation with centralist logic, by imposing the reforms on the regions without including regional actors in the decision-making process. In addition, the regions do not welcome personnel from other parts of the country; they are seen as intruders and not committed enough to the fate of the region. Both of these were felt more in Tarapacá than in Valparaíso. The core-periphery tension is also expressed in the tension between SEREMIs and GORE, in which SEREMIs personnel were not happy with the transfer of regional planning policies to the regional governments.

Redistribution of power is essential in political decentralisation (Boisier, 2003; Montecinos, 2005); however, so far GOREs have been strengthened but they have not been empowered by these reforms. That is to say, although regional governments have more functions and a more prominent position on the regional chessboard, their relationship with the central level remains unbalanced. The analysis of this fact depends upon the perspective or discourse that one holds; decentralising measures do not always lead to real empowerment, which in the views of Montecinos (2005) is not truly decentralisation.

Assuming his definition of decentralisation (see chapter II) GOREs are not becoming decentralised institutions through these reforms, as there is no real transfer of power – neither over economic resources nor over political decisions - from the national to the regional level; SUBDERE still has control over all decisions that GOREs make and further steps should follow what has been achieved so far in order to have truly autonomous regional governments. Taking into account Keating's classification (1998) of decentralisation's stages these reforms lead towards the third stage, which is Regional Administration. Therefore, although so far Chile has not achieved the stage of political decentralisation (devolution)¹ - but only a certain degree of administrative decentralisation (deconcentration)² - the strengthening of GOREs may be considered as a step towards decentralisation³. The path of deconcentration and devolution do not always go hand in hand, however, and the tension between them becomes crucial to understand the Chilean case. This will be discussed further in the section 'Administrative Decentralisation v/s Political Decentralisation'.

The relationship between the central and the regional level was also analysed from the perspective of one institution: the Ministry of Housing and Urbanism (MINVU). The relation of the SEREMIs⁴ with the centre is defined not only by the legal frame of regional and sectoral laws, but also by the informal relationships built by the state personnel at both the national and the regional level. The verticality or horizontally of those relations usually depends on the national and regional headships⁵, who promote certain practices that could end in more or less autonomy of SEREMIs. However, there is no certainty that those practices will continue, as any change of personnel in key positions might alter the informal channels and relationship between levels.

Throughout all the process the role of individuals is fundamental to the success of new practices and policies within the state (Jones et al, 2004), as they act according to their interpretations of the conjuncture. A good combination of technical and political skills, experience and expertise of headships and state personnel at both levels allows the construction of proactive spaces. Thus, although SEREMIs are deconcentrated institutions within vertical structures, lately MINVU has been promoting the generation of cooperative

¹ The empowerment of subnational governments

² Decentralisation of the physical administration of the central government

³ Authors such as Burns et al (1994), Keating (1998), Bardhan (2003), Boisier (2003) Rodríguez-Pose and Bwire (2003), Eaton (2004), Montecinos (2005) among others, have defined different stages to explain the whole process of decentralisation, arguing that political decentralisation is the stage in which power is devolved to the subnational levels (see Chapter II)

⁴ Regional institutions that are also part of one ministry, e.g. the SEREMI MINVU of each region belongs to the Ministry of Housing and Urbanism.

⁵ Minister, subsecretary, heads of Divisions, head of SEREMIs and head of Departments.

and collaborative practices within the ministry. The combination of regional capacities, the strength of informal channels and inter level coordination, has as a consequence strengthened sectoral institutions. In the Chilean case administrative and political decentralisation are opposing forces, as there is still scope for conflicts between strong regional governments and strong SEREMIs, which have regional and sectoral perspectives respectively.

The lone star shines in the Chilean sky and keeps vigil over the population as the father does over his children. The unitary state is rooted in power relations constructed along its history since the very beginning of the Republic; historical sedimentation (Cumbers and MacKinnon, 2010) is one of the most important elements to explain why the Chilean state cannot easily release the reins of regional autonomy, even if part of it wants it, as the centralist structure is so embedded in public traditions and practices. As Jessop (1997) posess, the state is a social relation; it cannot be apart from the culture and traditions of the society in which it is embedded, as society cannot be alienated from the state influence. Thus, the main challenge that Chilean decentralisation has faced so far is gradualism, which is rooted in its centralist tradition, the state of engagement and regional realities. Therefore, decentralisation as long as it is not in opposition towards the idea of the unitary state, as long as the lone star remains shining in the sky.

BROADER REFLECTIONS ON CHILEAN DECENTRALISATION

Decentralisation as a process or a sequence of isolated events

Chilean decentralisation can be understood either as an ongoing process, in which each step leads to the next, or as a sequence of isolated events, in which the steps are - or seem to be – unconnected. This is because it is a discontinuous process: SUBDERE visualises a route, so it has a list of several steps to follow: however, although these steps are connected, their implementation is so slow and difficult to assess so that it gives the impression of disconnection. Only actors from SUBDERE see a clear route to follow; for the others, it seems an unconnected set of events. The process can be compared to that of an amateur driver, who is able to move the car, but stalls it at every set of lights; advancement is not smooth. So, Chilean decentralisation is a discontinuous process, in which the hollowing-out of the central state (Jessop, 2007) and the filling-in (Shaw and Mackinnon, 2011) of the regions have not been properly incorporated into the machinery of the state reforms driven by SUBDERE. The de-nationalisation (Jessop, 1997) of the

Chilean state, in which some functions are transferred from the national to the regional level⁶, can be seen as the transfer from the national body (ministries) to the deconcentrated branches of the state (SEREMIs) or to the regional governments. In both cases, the hollowing out of the central state has been only partial, as national institutions still have power over regional institutions. The process of hollowing-out is followed by a period of adaptation to the filling-in of regional structures. This pattern explains the extreme caution, gradualism and slow progress of Chilean decentralisation, because when a function is transferred (hollowing-out) from the national to the regional level, the state apparatus is shaken. Then, after the impact of the change, the state has to find a new status quo, in which the subnational levels should be more empowered (filling-in). However, that process of adaptation has not always resulted in the generation of new work cultures, or the strengthening of subnational institutions (Shaw and Mackinnon, 2011), as centralism is so strong in Chilean culture (strategic-relational approach, Jessop, 1997; historical sedimentation of power relations, Cumbers and MacKinnon, 2010). There are two reasons behind this: regionalism is being promoted by a national institution (SUBDERE), reflecting the centralist working environment of the Chilean state. Secondly, there is no clarity about the goal of decentralisation; there are no official written documents that describe what Chile wants and therefore, the steps to achieve that goal.

There is no consensus as to the extent decentralisation is desired; the answers vary from just administrative decentralisation to federalism. There is a general agreement around administrative decentralisation; however, going further reveals apprehensions, as it might increase uneven development between regions (Finot 2001a; Rodríguez-Pose and Ezcurra, 2010) and as too much autonomy might end in uncoordinated efforts between the national and the regional level. Those in themselves are not strong enough reasons, as compensatory mechanisms can be developed and strategic national guidelines should be coordinated with regional actions. Despite these apprehensions, there is agreement that keeping the current centralised state is not an option, not only because there is permanent tension between the centre and the regions, but also because the central level has proved to be unable to address regional needs to their satisfaction.

The desire for decentralisation is a consequence of both the extension and the internal diversity of Chile. Difficulties in the administration of the territory led the central state to develop the current process of decentralisation, which started in 1974 and it is still ongoing. On the other hand, the diversity of geographical characteristics of the country means that regional needs are very different from the north to the south. Policies from the

⁶ de-nationalisation can go to both, supranational and subnational levels (see Chapter II)

central level are generic for the whole national territory, without taking into account geographical diversity, which limits their scope; therefore regions want the capacity to deal with their own problems and make their own priorities in order to tailor the strategy to solve them.

Contradictory aspects and the actors involved

Chile's implementation of political decentralisation has special characteristics. On the one hand, it is an entirely top-down process, in which there are not many organised movements demanding decentralisation from subnational levels. The rare demonstrations in its support are used by SUBDERE as arguments to validate its work. On the other hand, the implementation of decentralisation exhibits deep conservatism, being rooted in its centralist culture and expressed in resistance to changes, even by beneficiaries.

Chile's decentralisation process is an amalgam of contradictions, which has led to its slow implementation over the past 20 years with limited success; so gradual a pace gives the impression that actually there is no will for it. The Chilean state seeks decentralisation in order to respond to the demands of development, democracy, greater autonomy and a more efficient state response; however, the same vertical power habits and practices are still being reproduced within the state structure.

Firstly, decentralisation is a top-down process initiated and led by SUBDERE - Ministry of Domestic Affairs -; however, there seems to be little will for decentralisation within the central level. Having real regional governments elected and empowered could end in open struggles between the regions and Santiago, as the latter fears losing control over regional territories. Secondly, the Congress asserts its support for greater decentralisation because regional authorities would be more representative of regional aspirations and, therefore, they could improve the state's response to regional issues. However, at the same time, parliamentarians feel threatened by elected regional authorities, so they oppose the measures that would enable them.

Thirdly, regional councillors claim to support decentralisation, mainly related to their greater autonomy in decision-making. However, they do not promote the direct election of their positions – as regional councillors – with much enthusiasm because at present they are elected within a system of political quotas and cronyism. There is no certainty of them keeping their positions in direct elections. Fourthly, public servants and political appointees also support decentralisation, but those from the central level are apprehensive about regional capacities while those from regions are suspicious of standard policies designed at the centre for the whole country.

Lastly, SUBDERE is the greatest promoter of decentralisation and regional autonomy. However, whenever a function is transferred to the regional government, SUBDERE retains control over it. In other words, the regional governments are subordinated to its guidelines, which means that regional issues are just being re-concentrated in the Ministry of Domestic Affairs instead of being based in sectoral ministries.

The agency of the actors promoting and involved in decentralisation is key to the process (Jones et al, 2004; Peck and Theodore, 2010); decentralisation is implemented through their understanding and the agenda of the groups they represent. As they come from different institutions and levels, they reflect particular discourses, which define the way they implement or interpret decentralising policies. As consequence, the means towards decentralisation are sometimes contradictory, such as efforts by SUBDERE in order to empower regions while the same Ministry (Domestic Affairs) sends a presidential delegate to them whenever it deems fit. Also, agents operate at different speeds; while some are pressuring to accelerate the process, others are more cautious in order to avoid further conflicts.

These paradoxes are rooted in the lack of a national decentralisation policy, which explains why its implementation is so slow; the forces acting there are contradictory and often without clear objectives, as different interpretations of decentralisation lead to contradictory actions and uncertain outcomes. Chile is following no specific model in its path towards decentralisation; furthermore, it is not clear what extent of decentralisation is desired. This also renders the assessment of the progress to date difficult because there is no identifiable goal. Despite this, SUBDERE does not improvise; it has a general strategy that it adapts according to the vision of the government in office and the political conjuncture.

Because of the above, many actors question how real is Chile's decentralising process. There is a spectrum of opinions regarding the true intention of the central level towards decentralisation, from those who believe in the seriousness of the efforts made by the governments in office and politicians in Congress promoting greater decentralisation, to those who assert that there is no real intention and they are just empty words said in order to get more votes in election periods. Although it is possible to be sceptical regarding decentralising efforts and their outcomes so far, the positive side is that decentralisation is recognised as a national issue. It has been incorporated into the political agenda; it is in the official discourse of the governments in office and in the electoral speeches of politicians.

Academics have a broad knowledge of decentralisation and focus on theory and the practicalities of decentralisation in Chile. Their analysis goes along three lines:

conceptualisation of the meanings of deconcentration and devolution; the practicalities of decentralisation increasing the power, democracy and autonomy of subnational levels; and questioning the role of the nation-state and wondering if it is still needed. They analyse the situation from different perspectives: institutional, economic, geographical and political.

SUBDERE and Ministries at the national level share a centralist point of view. Respondents from ministries highlight an administrative perspective, emphasising that decentralisation must be implemented with caution and under the guardianship of the central state, keeping the regions under its umbrella. On the other hand, interviewees from SUBDERE engage with a more integral perspective, in which they frame decentralisation as the transfer of administrative, political and economic functions from the central level towards subnational governments, emphasising the territorial dimension of decentralisation.

Also, from a national point of view, parliamentarians are an interesting group as they are elected by regions, whose desires they should represent. However, as they are mostly from and based in Santiago, their perspective is more centralist than regionalist; this raises the question of regional identities/representativeness versus political parties' identities/representativeness. For instance, when a proposal is discussed and voted within the Congress, politicians usually act as blocks of political coalitions, rather than regions against Santiago. This group is also very concerned about power and concentrates its efforts in administrative decentralisation more than its political dimension.

From a regional perspective, regional councillors – politicians indirectly elected - are mainly focused on power issues; for them the empowerment of regions should be the final goal of decentralisation. Meanwhile, interviewees from DIPLAD are also concerned about power, autonomy and democracy. In general, this group has a broad and greater understanding of decentralisation within the regions, probably because they have been trained in those topics by SUBDERE, so they share a similar perspective. Finally, SEREMIs' staff have a mixed point of view; as they work within a centralist and vertical structure, they seek more autonomy within their sector, but oppose the transfer of their faculties towards the regional governments.

Public servants and political authorities tend to see decentralisation as a series of reforms towards regional autonomy; the focus is on the transfer of functions and resources from the central state to the regional governments. Therefore, decentralisation is mostly seen as an administrative process within the institutionality of the state. Interviewees emphasise the idea of regions thinking for themselves, defining their own goals, able to make their own decisions and administrate their territory autonomously.

DIPLAD also sees regional decentralisation mainly from an administrative point of view. Decentralisation has to be done because it is a necessity for the country, the central level needs to focus its energies and efforts on other things, so regions have to be more autonomous; hence decentralisation is a top-down initiative. In this regard there is a difference between Valparaíso and Tarapacá, while Valparaíso argues that decentralisation is a regional desire, Tarapacá notes that regions resist it in practice. This is also a contradiction as the desire of autonomy is greater in Tarapacá, where the idea of federalism comes up often. This might be because they see the current decentralising process as an imposition from the centre; they want decentralisation but on their own terms.

Administrative decentralisation vs. political decentralisation

Montecinos' (2005) definition of decentralisation has been used as the pivotal starting point of this research. In his definition he explains that decentralisation can be understood as the transfer of power from the national to the subnational level. As it was discussed in Chapter II, the subnational level of the government may or may not be autonomous, which can make the difference in the final outcomes of the decentralisation process.

Two axes towards decentralisation have been identified in Chile: from the ministries to their SEREMIs and from the national level to GOREs. The first axis is also historical, as the regionalisation process started in 1974, and developed a legal frame for subnational levels and gave each region the same administrative institutional structure, which was composed of the regional branches of the ministries (SEREMIs). Because administrative decentralisation was implemented at the time of the dictatorship, as much control as possible was kept at the central level; it was implemented with military criteria. Furthermore, regionalisation was used as a means of control over the territory (Garretón, 1992; Palma, 2009). These in the context of the historical culture of a vertical, hierarchical and concentrated Chilean state, were the forces that confined administrative decentralisation to its minimal expression. Therefore, it did not lead towards regional autonomy or empowerment but helped to enhance the control and power relations of the central state over the regions. The central state used deconcentration as a way to extend its tentacles over the whole territory; in other words, Chile adapted administrative decentralisation to a more natural position according with its institutionality, culture, history and political context.

The second axis is what has been worked by SUBDERE since the return to democracy, which is the empowerment of subnational levels. This has had two main

stages, first administrative and the second political: the creation of GORE - an administrative regional institution – and the political autonomy of that structure. Currently, SUBDERE works on the strengthening of GOREs in order to transform them from administrative to truly government institutions, which sectors or ministries oppose. However, the question of SUBDERE being able to step aside when the regions are no longer tied to other institutions of the central level, still remains. Nowadays, the tension between regions and central state is still delimited by the dichotomy of relations between deconcentrated public services (SEREMIs) and GORE, and between SEREMIs and the ministry they belong to. The central state has been always centralised⁷, so from that perspective, any transfer of decision-making is seen as a loss of power. Thus, historical sedimentation (Cumbers and Mackinnon, 2010) plays an important role in Chilean process towards decentralisation, as it still defined power relations within the state structures. According to Keating's classification (1998), Chile is currently in the third degree of decentralisation: regional administration, which is a deconcentrated subnational body of the central government. The next step should be to have an autonomous regional government, which has been the endeavour of SUBDERE.

Sectoral deconcentration is precarious as the central level of ministries can transfer or take back functions at will from regional authorities; no law stipulates which functions are to be transferred to the regional level. So, ministries with headships that are more inclined to horizontal/balanced relations between levels tend to transfer decision-making process to regions, while headships with a more authoritarian vision tend to promote the re-centralisation of functions. Therefore, the scope of sectoral deconcentration is limited and arbitrary, as it is conditioned by the will of the authorities in office. A second limiting factor of this kind of decentralisation is that, even if SEREMIs are strengthened, this is not enough for the regions; SEREMIs are biased by their sectoral perspective and find it difficult to work co-ordinately with other regional institutions. Therefore, sectorial deconcentration can lead to power struggles among regional institutions, exacerbating the difficulties of decision-making within the regions.

Deconcentration seems beneficial for the regions as the state penetrates the regional level, which allows it to gather more information in order to develop a better response, and therefore to administer the regions better. Obviously, if the choice is between a highly centralised unitary state without much regional presence, with a highly centralised one with a strong presence in the regions, the latter is preferable. The point is that the central state under the dictatorship created deconcentrated institutions to ensure its control over

⁷ Except for 6 months in 1826, which is called the 'failure of the federal experiment' (Villalobos, 1993)

subnational levels, not to move towards greater decentralisation; so, nowadays, the Chilean state may seem decentralised to some degree but actually that depends on the individuals in key positions. One cannot fully assert that the decentralising process in Chile is leading to real devolution, as there is the possibility that the central state will step back and reset itself on the path of deconcentration in order to strengthen centralisation. Thus, administrative decentralisation or deconcentration is not necessarily the prelude for political decentralisation or devolution; it could be used for a more efficient centralism. Therefore, at least in the Chilean case deconcentration is in a crossroad, from which devolution or re-concentration may happen.

Considering that the Chilean state is 'comfortable' being centralised, the question is why it is making so much effort to decentralise. Apparently this is because it has been accused of inefficiency and it has not been able to respond properly to regional claims. There is a permanent tension between Santiago and the regions; the regions complain of not being taken into account by the central level, but they do not have the strength to stand up to the national authorities and exert pressure for their demands. One goal of decentralisation is to improve the decision-making process, so transferring decision-making to the right level seems to be key. Although, in theory, actors at the national level agree in the principle of state subsidiarity, when subnational levels are weak – or become weak – the central state's temptation to interfere reappears. Thus the relationship between the central state and the regions is similar to one of a father with his children, in which the father is always there as soon as they have a problem. Presidential delegates are the personification of this.

There is also an ongoing tension between SEREMIs and GORE at the regional level because sectors work within their own ministerial agenda, which is not discussed - and sometimes even not known - with/by GORE. As the sectoral regional investment is larger - around 75% of public investment⁸ - than GORE's (FNDR), the balance of the power between them is uneven, not favouring the latter. Sectors are seen by GORE as institutions that interfere from outside following their own agenda when the investment should be driven from inside, stemming from the territory itself. Thus GOREs administrate regions, but they do not rule them. Therefore tension is produced between sectoral and regional interests, which usually ends in Santiago. Strengthening GOREs should assure a better coordination of sectors, as they have the tools and power to articulate inter-sectoral work within regions.

⁸ Source: DIPLAD, Region of Tarapacá 2011

Sectoral deconcentration entails two limitations: sectoral and centralist response of the state, that is to say, biased by the perspective of each sector and with the influence of the central state. Furthermore, it can be said that the central state has adopted deconcentration in order to improve centralised mechanisms. However, the worse peril of this limited decentralisation is that in the event of a government with a more centralist and authoritarian vision, it could step back and re-centralisation could be done without moving a comma in the law. In other words, political decentralisation steps take years in congress and longer to be implemented, but a step back could be immediate. The above would be avoided by having strong and empowered regional governments and a national strategy for decentralisation, which are the aims of SUBDERE. Although GOREs are under the supervision of SUBDERE, they have a holistic perspective that puts them to be in a better position to take decisions regarding their region. Despite this, the definition of a structure in which the regional government is an autonomous entity with authorities elected by popular vote is fundamental in order for regions to generate integrated responses for themselves.

However, legal reforms by themselves are not enough to produce the filling-in of regional institutions, to make them powerful and able to negotiate from a more balanced position with the national level. It is necessary that those institutions demonstrate their capacity to fulfil the functions transferred.

Political decentralisation also improves participation and strengthens democracy, with the regions being protagonists of their own destiny and playing an active part in the decision-making processes. On the other hand, opponents fear that decentralisation might lead toward caudillism, corruption and incompetence. However, supporters remark that although the former could be a problem, they might be avoided with strong democratic control. As for regional incompetence, interviewees point out that this is due to the lack of expertise, derived from a small regional population, which can be improved by attracting personnel from elsewhere. Therefore, decentralisation is seen as a path toward greater autonomy and leadership of the regions and their institutions; however some negative elements have also been raised such as the prevalence of political parties or economic elites' interests.

SUBDERE assumed an inflection towards further decentralisation and understands decentralisation as a change in the power relationship between the central state and the regions (Boisier, 2003; Montecinos, 2005). Thus, the main structure of the state remains the same; what changes is the role of the subnational institutions (Eaton, 2004) and their relationship with the central state. Decentralisation does not weaken the state but changes

its internal relations and as a consequence the relation of the state with society; therefore the primacy of the state not only remains but is also strengthened by its subnational levels.

Although deconcentration is a first step towards political decentralisation, in the current state of art, SEREMIs may re-concentrate power; hence administrative decentralisation is not a decisive step, but an inflection point from which both can happen: further decentralisation or re-concentration. While the Intendente is not elected and his/her autonomous role is not defined by legislation, Chile will continue with a decentralisation that promises all on paper but in practice is almost schizophrenic, with state personnel and authorities having duplicate bosses – regional and sectoral – and an Intendente who is unable to fulfil the different roles he/she has.

Valparaíso and Tarapacá: comparison of regional responses

There is not much difference between these regions in their appreciations and understandings of decentralisation, Valparaíso and Tarapacá share the same desire for more autonomy, but they differ in the emphasis of this desire. Valparaíso seems to be more conservative, highlighting that Chile is first of all a unitary state and that there is no strong tension between the capital and the regions; on the other hand, Tarapacá uses a more passionate and extreme language, often using the word ‘federalism’ and, also, showing a degree of animosity towards the capital. This difference reflects contrasting regional identities; while Valparaíso shares the same history and culture of the Central Zone with Santiago; Tarapacá is located in the far north with a different historical and cultural background. This also seems to foster the lack of confidence in decentralisation due to Tarapacá usually distrusting any policy coming from the national level. Interviewees from Valparaíso share the centralist point of view of decentralisation with the central level, so they often express the view that decentralisation is more important for peripheral regions. Paradoxically, even though Tarapacá desires more autonomy, there is more resistance there to the process than in Valparaíso.

Participants from both regions, Valparaíso and Tarapacá, blame national politicians for their lack of will toward decentralisation, because of their reluctance to share power and their lack of confidence in regional capacities. While power seems to be the main topic within Congress, distrust in the capacities of the regions seems to be the main issue within the Executive.

OVERALL CONCLUSIONS

In wider terms, the main goal of this thesis is to have a better understanding of decentralisation processes, which resulted in the identification of three main issues within any decentralising process: the role of the key actors – as institutions and as individuals -, the power relationships within, between and among actors, and the administrative decentralisation as an inflection point to increase decentralisation or to exert more power over subnational levels.

Actors are directly involved in decision-making process and the implementation of decentralisation, therefore their interpretations shape the production of policies and affect the implementation of them. Although there is a wide range of literature dedicated to the role of actors in policy-making (see Jones et al, 2004; Theodore and Peck, 2010), there is still scope for addressing issues of personal motivations – e.g. personal beliefs or interests such as animosity against the centre or the desire to achieve certain goals – that can hinder or smooth over the shaping, design and implementation of certain policies. This could be explored in further researches as a main research question in order to enrich the academic debate from other perspectives of the issue. Philosophical discourses influence actors establishing the theoretical frame in which decentralisation is applied. The position of actors and the political conjuncture are essential when analysing the motivations for certain decisions/actions and when assessing the outcomes of certain policies. Individuals' disposition towards decentralising policies is another element to consider, as some can be quite proactive and willing to go forward, while others can actively or passively resist changes.

The power relationships between levels reflect the degree of decentralisation of a certain territory, as they define what decisions are made in each level. Throughout this research power has been analysed from its conventional perspective: instrumental and associational (Allen, 2003) as the central level makes decisions and acts accordingly – power over -, and also when informal relations within the state allows the emergence of collaborative practices – power to. Decentralisation should tend towards state subsidiarity, so decisions would be made at the most appropriate scale. Power relations can be analysed from two points of view: formal and informal channels. Formal relations are usually defined by the legal framework, while the informal relations depend on the skills, experience and expertise of the actors involved – e.g. Inter-institutional teams can be a powerful tool when they are well coordinated.

The research has shown that the three points discussed by Cumbers and Mackinnon (2010) – power as a capacity, historical sedimentation and agency – are fundamental to the

understanding of power relations within the Chilean state structure, and therefore the implementation of decentralisation. The central state in Chile can only be explained through its construction and evolution under the Portalian ideas and the interest to maintain and reproduce power relations, and particularly the privilege role of the traditional elites – in the past – and the new economic actors – in the present. This means that the central state is by default the driving agent of any policy implemented in the country – e.g. neoliberalism and regionalism were imposed in top-down ways in the 1970s and 1980s.

Finally, there is still place to delimitate the conceptualisation of deconcentration as a first step towards political decentralisation or as a separate concept, as in the literature the term is treated ambiguously, giving space for both interpretations. Montecinos (2005) in his definition of decentralisation incorporates the administrative stage as part of the process, making no further distinction with political decentralisation (see chapter II). In this research deconcentration was analysed as an early stage of decentralisation – administrative - following the example of several authors such as Bhardan (2002) and Boisier (2003); however, the Chilean case demonstrated that that assumption is not totally valid, as the administrative decentralisation can be used as a platform towards greater decentralisation or towards more efficient re-centralisation. Thus administrative decentralisation or deconcentration is an inflection point from which is possible to reach political decentralisation, or it can be used to exert more control over the territories, and so extend a more effective centralism. Therefore, deconcentration should be considered as an independent process, although bound to political decentralisation when the conditions are favourable. Administrative decentralisation has been long studied as an early stage of decentralisation (Conyers, 1983; Burns et al, 1994; Keating, 1998; Finot, 2001a; Bhardan, 2002; Boisier, 2003; Montecinos, 2005; and so on) because it allows the creation of a subnational structure that at some point could be autonomous from the central state. However, if these structures are unable to separate themselves from the central body, then the central state can interfere in the subnational affairs – i.e. the central state has more presence in the territory, has more information from subnational levels and can make decisions on subnational matters. This is also fundamental when assessing decentralising measures because administrative decentralisation does not necessary mean a first step towards political decentralisation, it can be use to reinforce the political power of the central structure. Therefore, a country with a strong focus on deconcentration is not necessarily a decentralised country.

CONTRIBUTIONS AND FURTHER STEPS

The results of this research contribute to both theoretical and practical understandings of decentralisation. Although the three conceptual pillars of this research – decentralisation, power and the state - have remained mainly unscathed, the research has brought a better understanding of the decentralising stages identified in Chapter II. Deconcentration is not necessarily an administrative platform for political decentralisation as it can be used to reinforce centralism. The analysis of the struggles of a unitary state implementing decentralisation is also valuable, as it introduces new elements to take into account and provides insights on the empirical side of the issue, such as the way that decisions are passed down from the political to the technical sphere, the formal and informal relations between state institutions and the importance of an early inclusion of regional actors into the process.

On the other hand, the analysis of agency towards decentralisation in Chile encourages policy-makers and relevant actors to address the decentralisation process there from a new perspective: it is essential to take into account the characteristics of the society in which reforms are being applied, as the state is a social relation (Jessop, 1997). Communication between political and technical staff at regional and national level is also essential. The participation of subnational actors would also be considered at an early stage of the decision making process. A better understanding of the process should help SUBDERE to develop more suitable strategies to implement decentralisation and to communicate them to the actors involved more effectively; as a consequence, state personnel could improve their performance. Decentralisation cannot be a top-down imposed policy, as a legal reform is not powerful enough (De Mattos, 1989) to provoke changes in working practices. The process should be participatory and horizontal, emphasising the inclusion of as many actors as possible.

Although the results of this research are very interesting, as the decentralising process in Chile is far from complete, it is highly recommended to continue the research. Firstly, because the first election of regional councillors was on the 13th of November 2013; secondly because the favourite candidate for president – Michelle Bachelet – has included in her Government programme the election of Intendentes; and thirdly because of the new composition of Congress – elected on the 13th of November 2013 – which now has new faces from the student movement and small parties. This suggests that the reception of decentralising reforms could be more favourable within the Congress.

Another line of research is the analysis of the experiences of other countries, specially regarding the outcomes of administrative decentralisation; this could reveal whether the ambiguousness or fragility of deconcentration is just a characteristic of the Chilean case – because of its particular history and culture -, or whether it is common in other centralist states. I believe that deconcentration should not be called administrative decentralisation any more, as this leads to the idea of it being part of a further process of decentralisation; this research has proved that deconcentration is not a mandatory step for decentralisation. Therefore, there is a need to open the debate on deconcentration, as a separate subject - that may or may not lead towards political decentralisation. So far, the academic literature has considered it as part of the same broader process, which have led to a biased understanding of the issue. Deconcentration has only been studied as an earlier stage of decentralisation, and I strongly recommend that a study of it should take into account that it can also lead to the opposite outcome: centralism. Therefore, deconcentration should be studied further and separately in future researches in order to clarify its definition, scope and shape in different political-geographic contexts.

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APPENDIX 1

INTERVIEW TOPIC'S LIST

Descentralización / decentralisation

¿Qué entiende por descentralización? / What do you understand by decentralisation?

¿Cómo se ha construido la descentralización política en Chile? / How has been built political decentralisation in Chile?

¿Ha habido algún cambio de paradigma respecto a la concepción de la descentralización o se ha trabajado desde el inicio con la misma idea? ¿Cuáles cambios? ¿Por qué? / Have decentralisation experimented paradigm changes in the last 30 years? What changes? Why?

¿Quiénes la han respaldado? ¿Por qué? / Who have been supporting decentralisation processes? Why?

¿Cómo ha ido evolucionando el proceso? / How has the process evolved?

¿Cuál ha sido el rol del contexto político chileno en el proceso descentralizador? / What has the role of the Chilean political context been in decentralization processes?

¿Cuál ha sido el rol del contexto político económico mundial en los procesos de descentralización chilenos? / What has the role of the world political and economic context been in decentralisation processes in Chile?

¿Quién lidera los procesos descentralizadores en Chile? / Who leads decentralization processes in Chile?

¿Cuáles son los elementos claves en los que se enfocan las estrategias descentralizadoras? / What are the key elements where decentralising strategies are focus on?

¿En qué etapa de descentralización nos encontramos? / In what stage of decentralization is Chile nowadays?

¿El discurso descentralizador es real o es sólo una pantalla? / Is decentralising discourse real or it is a screen to seem a decentralised country?

¿Cuáles son los principales obstáculos que enfrenta el país en materias de descentralización política? / Which are the main difficulties that face the country in political decentralisation issues?

¿En qué estamos? / What is the current situation?

¿Cuáles son los desafíos futuros? / What are the future challenges?

¿Cuál es la imagen político administrativa del país que estamos construyendo? / Which is the political-administrative image that the country is building?

¿Qué se está haciendo para llegar a esa meta? ¿Qué falta? / What is the country doing to achieve this goal?

¿Por qué es tan importante la descentralización, que se busca con ella? / Why decentralization? For what?

¿Cómo se manejan las estrategias descentralisadoras en la eventualidad de un cambio de gobierno hacia la derecha? / What will happen with decentralising measures if there is a change of government coalition in December?

¿De qué manera los procesos descentralizadores fortalecen al país? / How decentralising processes might strength the country?

¿Estamos preparados como país para estos cambios? / Are we prepared for these changes?

¿Hay voluntad de descentralizar? / There is will towards decentralisation?

¿Las regiones se quieren descentralizar? Hasta cuando? / There is a regional desire for decentralisation? To what extent?

Relaciones de poder / Power relations

¿Quién toma las decisiones en cada región? / Who make decisions in the region?

¿Cuáles son los elementos a considerar en la toma de decisiones en las regiones? / What are the elements that are considered in decision-making process in the regions?

¿Quiénes son los llamados a la mesa a la hora de tomar decisiones regionales? / Who are included in regional decision making process?

¿Cuál es el proceso aprobatorio de las decisiones regionales? / How is the approval system of regional decisions?

Todas las decisiones regionales son ratificadas por el nivel central? ¿Cuales? ¿Cómo? / The regional decisions are ratified by central government? Which ones? How?

Si es así, esta ratificación es de carácter simbólico o real? ¿O depende de las voluntades de turno? / Is this a symbolic ratification or real? It depends of the authority will?

¿Cuán libres son los políticos regionales (COREs, principalmente) de tomar decisiones cuando están representando, en su mayoría, los intereses de partidos nacionales con sede y agendas generadas en el nivel central? / How free are regional politicians (regional councillors for example) to make decisions when they are subordinated to national parties?

¿Ha habido conflictos de poder entre niveles? / What kind of conflicts they have had to face?

¿Quién toma en última instancia las decisiones? / Who is making decisions?

Cuán autonomas son las SEREMIs a la hora de tomar sus propias decisiones? / To what extent SEREMIs are autonomous when making decisions?

¿Cómo es visto el nivel central? ¿Un socio, un papá? / How the central level is seen by the regions? As a partner, as a father...?

¿Cómo es la relación entre el nivel central y las regions, por ministerio y a nivel de gobierno? / How is the relationship between the central and the regional level, within the ministries and from the government perspective?

¿Priman las decisiones técnicas o políticas? / What prevails: technical or political decisions?

¿Cómo son las relaciones de poder dentro de una institución?

¿Cómo funciona la SEREMI de Vivienda: vertical o transversal? / How are the relationships within SEREMI MINVU: vertical or horizontal?

¿Cómo funciona la SERPLAC: vertical o transversal? / How are the relationships within SERPLAC: vertical or horizontal?

Cual es el rol de los partidos políticos en la toma de decisiones regionales / what is the role of political parties on regional decisions?

Cómo se ve la gran cantidad de cargos de confianza que hay dentro del aparato estatal / How are seen the many political appointee position within the state apparatus?

DIPLAD

¿Qué se busca lograr con la creación de la DIPLAD? / What is the goal of DIPLAD?

¿Cuál es el rol de la DIPLAD dentro del Gobierno Regional / What is the role of DIPLAD within the Regional Government?

¿Cómo se produjo el traspaso de funciones MINVU – GORE? / How was the transference of functions from MINVU to the Regional Government?

¿Cómo se produjo el traspaso de funciones MIDEPLAN – GORE? / How was the transference of functions from MIDEPLAN to the Regional Government?

¿Cuáles son los beneficios y desafíos de este traspaso de funciones? / Which are the benefits and challenges of this transfer?

A 3 años aprox de estar funcionando estas oficinas, ¿cómo ha sido el trabajo desempeñado en la DIPLAD? / after 3 years app, how are DIPLADs working?

¿Qué dificultades han tenido que enfrentar en términos de relaciones con los otros servicios? / What difficulties have they faced in their relationship with the others regional institutions?

¿Cuán autónomas son las DIPLADs del nivel central? / How much autonomy have DIPLADs from the central level?

¿Cómo son los procesos aprobatorios de la EDR y el PROT? / How are the approval system of EDR and PROT?

¿Cuáles son los logros alcanzados hasta este momento? / What are the achievements of DIPLAD so far?

¿Cuáles son las metas a corto, mediano y largo plazo de la DIPLAD? / What are the goals of DIPLAD in short and middle term?

¿Cuál es el rol de la DIPLAD en la generación de las políticas regionales? ¿Es un mero observador o tiene una presencia activa? / What is the role of DIPLAD in the design of regional policies?

¿Cómo es visto que las DIPLADs hagan las EDRs y PROTs? / how is seen that the EDR and PROT are made in DIPLADs now?

¿Cómo son percibidas las DIPLADs? Dentro del GORE, por la SUBDERE y por los otros servicios? / What is the perception about DIPLADs from the Regional Government, SUBDERE and the other public services?

¿Cómo es la relación DIPLAD-SUBDERE? / How is the relationship between DIPLAD and SUBDERE?

¿Cómo es la relación DIPLAD-CORE? / How is the relationship between DIPLAD and CORE?

Gobierno Regional / Regional Government

¿Cuál es el rol del Intendente? / What is the role of the Intendente?

¿Cuál es el rol del Consejo Regional dentro de los procesos regionales? / What is the role of the Regional Council?

¿Qué elementos positivos y/o negativos tiene la elección directa de los Consejeros Regionales? / what positive and/or negative elements has the direct election of regional councillors?

¿Hay apoyo para el empoderamiento de los gobiernos regionales? ¿De quienes? / Is there support for the empowerment of regional governments? From who?

¿La elección directa de los consejeros regionales es una medida efectiva para aumentar la descentralización o es un volador de luces? / Is the direct election of regional councillors an effective measure towards decentralisation or it is a diversion?

¿Cómo es la relación entre servicios dentro de la región? / How is the relationship between the regional services?

¿Cómo es la relación de GORE con los otros servicios (nivel central y regional)? / How is the relationship between the regional Government and other services – at national and regional level?

¿Por qué la elección directa de los COREs es vista como un paso hacia la descentralización, si el Consejo mantiene sus mismas funciones y modo de operar? / Why the direct election of regional councillors is seen as a step towards decentralisation when the Council keeps the same functions and working procedures?

APPENDIX 2

Tramitación Informes Oficios Indicaciones Comparados Urgencias Materias

Boletín 7923-06

[Volver](#)

Título: Establece elección directa de los Consejeros Regionales.
 Fecha de Ingreso: Lunes 12 de Septiembre, 2011 Urgencia Actual: Discusión inmediata
 Cámara de Origen: C.Diputados Iniciativa: Mensaje
 Tipo de Proyecto: Proyecto de ley Refundido:
 Etapa: **Tramitación terminada**

[Ley N° 20.678 \(Diario Oficial del 19/06/2013\)](#)

Sesión/Leg.	Fecha	Subetapa	Etapas
	12/09/2011	Ingreso de proyecto .	Primer trámite constitucional / C.Diputados
82 / 359	12/09/2011	Cuenta de proyecto . Pasa a Comisión de Gobierno Interior y Regionalización	Primer trámite constitucional / C.Diputados
92 / 359	06/10/2011	Cuenta del Mensaje 419-359 que hace presente la urgencia Simple	Primer trámite constitucional / C.Diputados
102 / 359	02/11/2011	Cuenta del Mensaje 432-359 que hace presente la urgencia Simple	Primer trámite constitucional / C.Diputados
120 / 359	13/12/2011	Cuenta del Mensaje 481-359 que hace presente la urgencia Simple	Primer trámite constitucional / C.Diputados
132 / 359	12/01/2012	Cuenta del Mensaje 551-359 que hace presente la urgencia Simple	Primer trámite constitucional / C.Diputados
140 / 359	06/03/2012	Cuenta del Mensaje 578-359 que retira la urgencias por receso legislativo	Primer trámite constitucional / C.Diputados
140 / 359	06/03/2012	Cuenta del Mensaje 603-359 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
6 / 360	21/03/2012	Cuenta del Mensaje 22-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
10 / 360	04/04/2012	Cuenta del Mensaje 38-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
18 / 360	18/04/2012	Cuenta del Mensaje 71-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
21 / 360	03/05/2012	Cuenta del Mensaje 86-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
31 / 360	22/05/2012	Cuenta del Mensaje 116-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
33 / 360	23/05/2012	Oficio N°93-360. Oficio de S.E. el Presidente de la República por el cual formula indicaciones al proyecto.	Primer trámite constitucional / C.Diputados
38 / 360	06/06/2012	Cuenta del Mensaje 138-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
39 / 360	06/06/2012	Primer informe de comisión de Gobierno Interior y Regionalización. Pasa a Comisión de Hacienda	Primer trámite constitucional / C.Diputados
47 / 360	21/06/2012	Cuenta del Mensaje 169-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
51 / 360	05/07/2012	Cuenta del Mensaje 188-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
60 / 360	19/07/2012	Cuenta del Mensaje 207-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
65 / 360	02/08/2012	Oficio N°180-360. Oficio de S.E. el Presidente de la República por el cual formula indicación al proyecto.	Primer trámite constitucional / C.Diputados
65 / 360	02/08/2012	Cuenta del Mensaje 227-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
	06/08/2012	Primer informe de comisión de Hacienda.	Primer trámite constitucional /

69 / 360	09/08/2012	Cuenta de primer informe de comisión .	C.Diputados Primer trámite constitucional / C.Diputados
71 / 360	14/08/2012	Discusión general . Aprobado en general	Primer trámite constitucional / C.Diputados
	15/01/2013	Oficio N°506-360. Oficio de S. E. el Presidente de la República por la cual formula incitaciones al proyecto.	Tramitación terminada /
125 / 360	15/01/2013	Cuenta del Mensaje 440-360 que hace presente la urgencia Suma	Primer trámite constitucional / C.Diputados
126 / 360	15/01/2013	Oficio N°506-360. Oficio de S.E. el Presidente de la República por el cual formula indicaciones al proyecto.	Primer trámite constitucional / C.Diputados
	18/01/2013	Segundo informe de comisión de Gobierno Interior y Regionalización.	Primer trámite constitucional / C.Diputados
130 / 360	22/01/2013	Cuenta de segundo informe de comisión .	Primer trámite constitucional / C.Diputados
130 / 360	22/01/2013	Discusión particular . Aprobado	Primer trámite constitucional / C.Diputados
	22/01/2013	Oficio de ley a Cámara Revisora .	Primer trámite constitucional / C.Diputados
98 / 360	23/01/2013	Cuenta de proyecto . Pasa a Comisión de Gobierno, Descentralización y Regionalización, y a la de Hacienda, en su caso.	Segundo trámite constitucional / Senado
100 / 360	05/03/2013	Cuenta del Mensaje 462-360 que retira la urgencia Suma	Segundo trámite constitucional / Senado
100 / 360	05/03/2013	Cuenta del Mensaje 467-360 que hace presente la urgencia Suma	Segundo trámite constitucional / Senado
	11/03/2013	Primer informe de comisión de Gobierno, Descentralización y Regionalización.	Segundo trámite constitucional / Senado
1 / 361	12/03/2013	Cuenta de primer informe de comisión .	Segundo trámite constitucional / Senado
7 / 361	02/04/2013	Cuenta del Mensaje 28-361 que retira y hace presente la urgencia Suma	Segundo trámite constitucional / Senado
7 / 361	02/04/2013	Discusión general . Aprobado en general Se fija como plazo para presentar indicaciones el 15/04/2013	Segundo trámite constitucional / Senado
	15/04/2013	Boletín de indicaciones .	Segundo trámite constitucional / Senado
	17/04/2013	Nuevo plazo para indicaciones. Se amplía plazo para presentar indicaciones hasta el 29/04/2013 a las 12:00 en la Secretaría de la Comisión de Gobierno, Descentralización y Regionalización	Segundo trámite constitucional / Senado
17 / 361	17/04/2013	Cuenta del Mensaje 64-361 que retira y hace presente la urgencia Suma	Segundo trámite constitucional / Senado
18 / 361	30/04/2013	Cuenta del Mensaje 76-361 que hace presente la urgencia de Discusión Inmediata	Segundo trámite constitucional / Senado
21 / 361	08/05/2013	Cuenta del Mensaje 90-361 que retira y hace presente la urgencia Discusión inmediata	Segundo trámite constitucional / Senado
	14/05/2013	Segundo informe de comisión de Gobierno, Descentralización y Regionalización.	Segundo trámite constitucional / Senado
	14/05/2013	Primer informe de comisión de Hacienda.	Segundo trámite constitucional / Senado
23 / 361	14/05/2013	Cuenta de segundo informe de comisión . Cuenta informe comisión de Hacienda.	Segundo trámite constitucional / Senado
23 / 361	14/05/2013	Discusión particular . Aprobado con modificaciones	Segundo trámite constitucional / Senado
	14/05/2013	Oficio modificaciones a Cámara de Origen .	Segundo trámite constitucional / Senado
28 / 361	15/05/2013	Cuenta oficio con modificaciones de Cámara Revisora . Queda para tabla	Tercer trámite constitucional / C.Diputados
28 / 361	15/05/2013	Discusión única . Aprobadas las modificaciones	Tercer trámite constitucional / C.Diputados
	15/05/2013	Oficio aprobación de modificaciones a Cámara Revisora . Oficio N°10.727 al H. Senado, que	Tercer trámite constitucional /

		comunica aprobacion de modificaciones	C.Diputados
	15/05/2013	Oficio de ley al Ejecutivo .	Tercer trámite constitucional / C.Diputados
30 / 361	22/05/2013	Oficio N°105-361. Oficio de S. E. el Presidente de la República por el cual comunica que ha resuelto no hacer uso de la facultad que le confiere el inciso primero del artículo 73 de la Constitución Política de la República respecto del proyecto.	Trámite de aprobacion presidencial / C.Diputados
	22/05/2013	Oficio N°10.744 al Tribunal Constitucional	Trámite de aprobacion presidencial / C.Diputados
26 / 361	22/05/2013	Cuenta oficio N° 10.727, que comunica aprobacion de modificaciones	Tercer trámite constitucional / Senado
34 / 361	05/06/2013	Cuenta oficio N° 8670 del Tribunal Constitucional	Trámite de aprobacion presidencial / C.Diputados
	06/06/2013	Oficio N°10.770. Oficio para promulgación al Presidente de la República.	Trámite de aprobacion presidencial / C.Diputados