



Analysis of Local Decentralised Cooperation

*A brief history of decentralised cooperation.
A look at South America.*

KEY WORDS

*Decentralised cooperation |
Decentralisation |
Regional integration |
Social inclusion |
Institutional strengthening |*

This article offers a brief outline of the origins and evolution of decentralised cooperation, focusing particularly on decentralised cooperation between the European Union and Latin America. Initially, decentralised cooperation is placed within the historical evolution of development cooperation, highlighting many global and regional processes - globalisation, decentralisation, internationalisation of subnational governments, regional integration and international relations between the European Union and Latin America – supporting it as an alternative mode of developing cooperation. Within the Latin American context, there is an analysis of some of the impacts or the potential of decentralised cooperation in regional integration processes, the fight against poverty, seeking social inclusion and institutional strengthening and implementing processes to strengthen local governance. Subsequently, the regulatory frame of reference centred on the concepts of complementarity and partnerships with reference to the characteristics of decentralised cooperation is outlined, and a description is given of its different specific forms. Lastly, we find an evaluation of some prospective challenges and expectations to be encountered by decentralised cooperation between the European Union and Latin America.

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1. Introduction

The purpose of this article is to give a brief outline of the origins and evolution of decentralised cooperation, which is, in turn, also a short and recent event; short with regard to the brief period of time it has covered, at least in its specification stage as an alternative among the flows of development cooperation, and recent as it has existed for less than two decades and is still in its cycle of consolidation, at least this is the case for the type of decentralised cooperation considered here.

The intention is not to present the history of decentralised cooperation in isolation from other recent processes which contribute to the increasingly relevant space it has within the group of development cooperation actions. The intention is to list most of those converging processes which categorise decentralised cooperation as a rising method, with the potential to consolidate the local development of many regions of the world. Neither is the aim to present a schedule of its main events, but rather to identify the different processes and to start dimensioning the influence each of them has had on the origins and evolution of decentralised cooperation, as well as the influence of the latter in such processes. What will be given is a review of the historical processes that have occurred in both regions and that are connected to the development of decentralised cooperation, whether by promoting it or by taking advantage of it for their own purposes.

The article refers to the decentralised cooperation received or managed jointly by the local governments of Latin American countries, with a certain cognitive bias on the part of the author towards South America, which, by definition, is not subject to intercession, in the sense of influence, conditioning or with intervention from the central governments of the recipient

countries¹. The focus is on decentralised cooperation arising from the European Union (particularly the European Commission) and also from its member countries as part of bilateral actions, and fundamentally in view of the Observatory for European Union –Latin America Decentralised Cooperation (EU-LA OCD), on the cooperation between regional and local governments, known as local decentralised cooperation. This last modality implies a direct cooperation link, without intermediaries or interested third parties, between subnational entities of each region; it is very important to analyse the group of different modalities, as, in practice, these modalities complement each other, giving rise to relationships between local governments with third party financing (such is the case of the URB-AL experience) or others arising from the same cooperation actors.

Firstly, decentralised cooperation will be presented as an incipient modality that is making firm progress within the evolution of development cooperation. This evolution is a historical process that also involves certain conceptual changes that the article will attempt to clarify; to this effect, the main changes in cooperation tendencies are presented, from its conception as “assistance” or “aid” to its image as an instrument for human development with mutual benefits for the parties involved. It should be noted that both tendencies coexist within the current model of development cooperation, but decentralised cooperation is more in keeping with the characteristics of the second and more recent perspective.

Then, contributions made -orto be made- by decentralised cooperation are re-

¹*It should be noted that, according to the perspective adopted in this article and in the Observatory, the profile of decentralised cooperation indicates that there is no difference based on who provides the funding, but rather that all parties are actors in the programmes or projects, and that benefits are mutual. The perspective adopted will be clarified later.*



viewed within the Latin American framework of the growth of poverty, its defeat through territorial-based public policies, and the quest for social integration committed to human development; contributions to the quest for greater governance and institutional strengthening, within a framework of the consolidation of democracy by means of wider social participation and better citizen representation, as well as its contribution to the deepening of regional integration processes: SICA (Central American Integration System), CAN (Andean Community of Nations) and MERCOSUR (Southern Common Market), among other initiatives.

The following section deals with the context of principles and values in which decentralised cooperation between the EU and LA takes place. These principles and values are outlined in the forums established for bi-regional relationships, specially as agreed in the three summit meetings held by Presidents and Heads of State, and in negotiations among inter-bloc groupings, EU-SICA, EU-CAN and EU-MERCOSUR. These inter-bloc links will not be studied in depth, but emphasis will be placed on the pacts made at the Summits and on the general referential frameworks. It is also sought to identify the different kinds of decentralised cooperation that have been developed, and the interpretative and analytical frameworks elaborated for these, taking into account who leads the processes, who promotes the initiatives and who are the actors, among other considerations. An effort is always made to identify decentralised cooperation, particularly local cooperation, its main features and its evolution up to the present time.

Finally, some perspectives are analysed by way of predictions or recommendations in order to continue developing decentralised cooperation experiences, and to deepen its supporting and defining concepts.

Before finishing this introduction, it is worth clarifying that when reference is made

to “decentralised cooperation”, we mean a variety of practices which form part of different regulatory frameworks, and which have given rise to different interpretations from which it is difficult to extract a single concept (Romero 2004). This conceptual discussion is part of the Observatory’s central debate, and is the thread of the following article of this Yearbook, which was written by María del Huerto Romero. In it, the author seeks to provide an operative concept of decentralised cooperation which may serve as a basis for joint reflection within the Observatory and for all the actors involved in decentralised cooperation.

Decentralised cooperation is one element within the broad spectrum of development cooperation; it exists officially as defined within the regulatory framework of the EU, its member countries and its sub-state administrations. It also exists in international bodies and other non-European countries. Furthermore, it is a broad-based concept in the sense that those receiving economic benefit from it are local governments, and at the same time more specific and restricted concept, as those promoting and benefiting from it are the local governments of both continents.

That is to say, for this paper, local decentralised cooperation is supported by multilateralism and the mutual benefit of its actors, and it develops territorially through local governments working together and trying to develop joint experiences based on their prior learning and on the potential of networking or platform works. Terms like local ownership, partners, participation, democracy, multidirectionality, networks and mutual benefits, among others, are attributed by different actors and experts as characteristics inherent to decentralised cooperation. In this article, this incipient conceptual accumulation is echoed, based and sketched over a short but solid practical experience.

The following section presents a summary of the practical and conceptual evolution of development cooperation. Decentralised cooperation responds to the characteristics of the human development model, as it promotes the participation of local development actors, as well as the local ownership and development of institutions and local capabilities. Decentralised cooperation may complement the cooperation developed by central governments, with the necessary coordination of state foreign policy with the international relations of sub-state governments, which to a certain extent strengthens their capacity to negotiate with central governments.

As the situation is one of northern territorial administrations collaborating with their southern counterparts, the initiatives take advantage of the accumulation of experiences and knowledge in similar government spheres, which adds non-economic advantages, turning contributions into a virtuous circle of mutual benefit. Moreover, this common task strengthens the institutions of local power for the management of local development and for negotiation with central bodies.

All this potential has come into effect with different levels of performance in the various specific projects throughout these years of experience. These may be classified in several areas: institutional strengthening, to underpin decentralisation and local development processes; the development of processes of participation and empowerment of local actors; the implementation of local development policies in different areas and with different objectives: business, culture, youth, social (including the fight against poverty and discrimination, etc.) and the establishment of collaboration structures between European and Latin American local actors, with a view to continuing the networking which has enabled a considerable number of structures to be set up that overlap with the other political structures, such as

Mercocities. Due to its relevance, prestige and achievements, the URB-AL Network, driven and financed by the European Commission, stands out among experiences.

2. The evolution of development cooperation

This section is intended to present an outline of the evolution of international aid/cooperation, taken as an element of the foreign policy of a group of countries seeking to support the development of regions, countries or localities. In parallel with this evolution, concepts used to designate aid/cooperation are updated. Special reference will be made to the term “development cooperation” which includes “decentralised cooperation” as a new modality which, as mentioned above, has certain specific characteristics.

Historical, geographical, political, economic and security interests interact within the process, generating or weakening the possibilities for aid, solidarity, joint work and commercial links, among other things. In its traditional format, which implies only the transfer of resources, it resembles more the concept of “development aid”, as it does not imply levels of cooperation or exchange but the economic contribution of a developed country to a developing country. In its origins, mostly after the Second World War, it was associated with the political objective (basically within the framework of the “Cold War” between the United States of America and the Soviet Union) of maintaining an influence on certain strategic geographical areas by donor countries.

The international system at that time was marked by a change in the capitalist system, in which the predominance of the financial capital started to show; the United States of America emerged as a global power at odds with the Soviet bloc and replacing



the European countries, especially Great Britain, in the capitalist leadership. In order to consolidate its leadership, the United States of America reconstructed the capitalist bloc by implementing the Marshall Plan, especially in the shattered European continent, and consolidated its influence in the developing countries of Latin America by means of the Alliance for Progress. Such international programmes or policies indicated the beginning of Official Development Assistance.

Throughout this period, cooperation from North to South or from development to underdevelopment was strongly marked by “Cold War” political-strategic logic, as was the whole international system until the collapse of the Soviet Union and the significant fall of the Berlin Wall. The idea was to have a wide area of influence in which to bear political influence, trade and obtain raw materials continually and at low cost. Development theories existed in intellectual circles at the time, particularly the “modernisation theory” of developing countries, which proposed official development assistance as a means of covering the lack of productive investment in developing countries, as well as meeting needs in the areas of health, education and infrastructure.

After failing to meet the development objectives set by the Alliance for Progress for the Latin American countries, and with the resulting state of social and political upheaval prevailing in the region, the National Security Strategy of the United States appeared. It was developed in the 70s, becoming apparent through the military dictatorships that suffocated popular complaint, abolishing democratic institutions and violating human rights. In this framework, cooperation had the aim of maintaining a wide area of influence, in this case with a strong political-ideological content of combating communism

and subversion, but taking into account the business and economic importance of Latin America. Such cooperation was driven by the United States and multilateral bodies, and aimed to consolidate central governments, strengthening centralism within the region.

This linear development designed to modernise developing countries did not materialise. There are many reasons for this, but it is clear that the road to development is not a linear sequence in which backward countries have to imitate successful ones. There is no such single development model and, consequently, it is important to take into account the culture, values and customs of the country to be developed. A view of the system of the world economy appears among the criticisms of modernisation; such a system would be made up of the group of countries, in which the early development of some of them, which are in the middle of the system, results in the late development of the rest, which are on the periphery of the system. This view is expressed in “Dependence Theory” as developed in the Economic Commission for Latin America and the Caribbean (CEPAL), the main referent of which is Raúl Prebisch. It shows a global economic system with basic, structural asymmetries, and centre-periphery and North-South differences.

Visions that are critical of modernisation theory imply a strong questioning of the different development cooperation programmes, based on the understanding that economic transfers to the central governments of developing countries, based on general prescriptions from developed countries, neither take into account dependence relationships nor the different development possibilities, and neither do they consider the relevance of values and tradition for the development of the programmes. Such programmes must include participation

and ownership in order to be successfully implemented.

After the so-called “lost decade” of the 80s, and within a structure of major economic imbalances in Latin American countries, the neoliberal or neoconservative development model appears, driven by the developed countries, particularly by the United States and supported by the Washington Consensus. Plans were drafted in this period for the payment of interest on foreign debt by developing countries, which meant the achievement of savings and growth targets so as to overcome the difficulties posed by oversized states with inefficient bureaucracies and public companies. It meant the application of structural adjustment policies, bringing down social expenses, liberalising economies, deregulating markets, privatising public companies and exclusively relying on private companies as the engine for development and as the main institution of “market democracy”.

The 90s brought the acceleration of globalisation, with the consolidation of the United States as the leading power (together with others of a lesser dimension, such as the EU and Japan), deploying its hegemonic intentions through the establishment of multinational corporations in every continent, supporting the process with a cultural domination strategy through the rhetoric of occidental and democratic values and through the pre-eminence of its military power, used mercilessly and uncontrollably after September 2001.

Neoliberal policies were applied in Latin America with more or less profound structural adjustments which set aside old and obsolete import substitution policies, but without considering the criticism coming from certain intellectual sectors and from left-wing forces. Such criticism warned of the destructive consequences that the uncontrolled opening of

the market would have on national industries, with the resulting rise in poverty and inequality that the deregulation of internal markets as well as the abandonment of social policies and the reduction in State intervention would bring about, without a clear reform process guided by the search for efficiency. It also highlighted the key role of the State in certain strategic areas for development, mostly in its modern meaning of human development, which seeks to ensure the economic, social and cultural rights of the whole population.

This period witnessed the consolidation of the international regime which regulates development cooperation.

Destatisation driven by neoliberal approaches gave rise to a process of delegation of powers to sub-state entities which, in most cases, did not coincide with the local institutional strengthening required nor with the corresponding transfer of resources or local collection powers thereof. Although some call this process a “decentralisation process”, it mostly represents an unplanned delegation of powers leading to permanent and uncontrolled competition between sub-state entities for the resources coming from the central government or international cooperation.

Globalisation on the one hand and decentralisation on the other - and the states in the middle. Combined with structural adjustment programmes, summarised by the slogan “more market, less State”, both phenomena reduce the capacity of the State in various strategic areas for development. Simultaneously, sub-state entities emerge as relevant actors on the international scene, with at least two driving forces: the first from abroad, whether originating from investments aiming to avoid bureaucratic intermediation and others from central governments, or from international cooperation or aid seeking to achieve more and faster impact by avoiding



the same intermediation; the second from within: in view of certain popular protests, with new powers and faced with the offer of investment and cooperation, a new process of searching for such resources emerges. This leads to the appearance of units of international relationships within sub-state entities acting abroad, shaping the so-called “paradiplomacy” or “postdiplomacy”, while at the same time promoting the creation of several networks of sub-state entities with different motivations (some focused on attaining political influence in regional integration processes, others trying to have a political bearing on the definition of the flows of cooperation, others seeking to obtain cooperation, some that try to have an effect on an area of common interest through different types of collaboration, among others).

At the beginning of the 21st century, the rise of poverty and inequality in Latin America, together with social instability and political crisis, mark the failure of the neoliberal model as a promoter of development in the region. Market orientation and the little leeway left to the State at domestic level, as well as the focus on trade relationships to the detriment of development cooperation at international level, have led to institutional weakening and a rise of inequality in Latin American countries. This must be corrected if the processes of change required by the region are to be generated. The arrival of left-wing or progressive forces to government may be regarded as the people’s search for different options that would provide them with better protection against poverty and exclusion, and would generate processes of democratic consolidation.

The increase in asymmetries in the global economy - especially in terms of financial structures and the property of major transnational corporations-, the rise of trade barriers in the most industrialised countries, the

growth of external debt in developing countries and Latin America in particular, countries that, in recent years, have also witnessed the decrease of their levels of production, are other ways of confirming the failure of the neoliberal model for the development of the region. It should be noted that there were some winners in this process: some international corporations have developed exponentially; the United States, the EU and Japan have strengthened their position within the central circle of the world economy, and some others have come closer to or moved away from there, while among the countries that have benefited, there are diverse processes that have had varying achievements (suffice to mention the various protests by means of violent demonstrations that recently occurred in France).

It is within this context that the concern of Latin American governments, of international bodies and different social groups and associations for the creation of programmes for poverty reduction, the fight against exclusion and for a more equal distribution of income, emerges. In parallel to this, after the attacks of September 2001, the United States has redirected its official development assistance, and the War on Terror has become its main objective. This is to say that everything will be interpreted in terms of “hemispheric security”, while maintaining the conservative perspective of emphasising increased trade with the Latin American region through the setting up of the Free Trade Area of the Americas (FTAA – ALCA) or its alternative, which is the widespread subscription of strategic Free Trade Agreements with Latin American countries, to the detriment of development cooperation or aid.

The Millennium Declaration, issued by the United Nations General Assembly in September, 2000, and the corresponding 2015 Agenda, show the turn that multilateral bodies

are starting to take in terms of development cooperation, putting poverty eradication centre stage.

In this international scenario a different approach emerges regarding cooperation from Europe, with the development of bi-regional relationships with Latin America. This approach rests on at least four pillars which, in turn, provide it with its main characteristics: historical links, new cooperation approaches, decentralisation processes and the existence of the EU.

Firstly, there is a historical cultural link between various regions of Europe and Latin America, as such regions have received European migratory flows, giving rise to all kinds of family, social, economic and political links that have led to different ways of cooperation, such as twinning, among others.

Secondly, the focuses of State cooperation and development aid started to be criticized internationally, and development cooperation approaches conceived as an instrument for human development based on mutual interest began to be embraced. Though both approaches survive at a conceptual level and in practice, adoption of the second tends to prevail.

Thirdly, centralist and vertical government structures are becoming targets for reform based, on the one hand, on recommendations to reduce the central State power and, on the other, on processes of demand for more powers from the territories. These two forces give rise to decentralisation processes which have given a prominent role to territorial actors who have gained institutional power to such an extent that they have declared themselves internationally as agents of cooperation processes.

Fourthly there is the EU, which has led to a conceptualisation of cooperation processes in terms of the different European

actors and authorities, especially in regional actors through the Committee of the Regions (including municipalities, cities and their networks) and in the European authorities within the European Commission. This has allowed the generation of internal processes of decentralised cooperation and development of the weakest regions, and it has also generated external EU policies intended to promote, finance and disseminate decentralised cooperation (URB-AL).

It was in this framework that the concept of “decentralised cooperation” came up at the Lomé IV Convention, causing the appearance and rapid expansion of the number of actors besides central governments using the resources allocated to this type of cooperation. At the beginning it was the private actors, the non-governmental organizations (NGOs) who captured these funds, but lately this group has been joined by municipalities, cities and regions, which are also functioning with their own resources.

Decentralised cooperation is part of EU international policy, within the framework of cooperation towards the least-developed countries implemented after the end of the Cold War, and has been promoted and disseminated in Latin America together with the resumption of bi-regional relationships between the EU and LA since the end of the 80s.

3. Processes sustaining decentralised cooperation

Bearing in mind the international processes, and those relating to Europe and its bond with LA, we will outline some processes of the two regions that give rise to and shape decentralised cooperation between both of them. In principle, the idea is to include all the types of



decentralised cooperation developed based on concrete experiences, even if they do not match the latest meaning of cooperation (as support for human development, with its perspective of mutual benefit, local ownership and social participation), and even if it is not only between subnational entities counting on the support and funding of third parties.

On the one hand there are processes, and on the other, there are new theoretical perspectives. The former are a set of events giving rise to changes at a global, continental, (EU and LA), national and subnational (regional, local, municipal or other) scale; the new perspectives make reference to and interpret these changes, and propose better solutions to current problems. Focus will be put on processes, but their introduction may not be removed from the interpretation and analytical location attributed to them.

3.1 Globalisation

In terms of processes, globalisation appears first and foremost. Despite being a global phenomenon accelerating the rhythms of economic, social, cultural and communication exchange worldwide, its expression has implications at a national and local level. National states weaken before the emergence of processes and actors that transcend their field of activity, while these, in turn, need local spaces and territories in which to develop their missions or, in the case of multinational companies, to settle their industries. There is also the local need to develop, export or display productive, cultural or other creations. So, international and the most domestic processes interrelate and influence each other, providing the territories with a functional place and a space for communication with the global phenomenon, with the capacity to enhance their powers of negotiation with central governments.

Tension between the global and the local manifests itself in several ways. On the one hand, the link between culture and territory weakens, as does the link of society and policy with territory, while on the other, local cultures are reinforced and new nationalisms appear, suggesting the territory as the place in which social problems are confronted and solved. Such tension is clear in the way the different territorial governments relate with the world economy, conditioning its local development and giving rise to a set of institutional arrangements and policies so as to take advantage of the opportunities and to reduce the negative impacts of the globalisation process.

3.2 Decentralisation

In parallel with globalisation, and supporting this increase in international weight of subnational governments, the so-called decentralisation process has developed first in Europe and then in LA, with different modalities and intensities both between regions and within them. This process has generally been driven from outside of the states, through the demands of globalisation and its actors to operate without State intermediation, although it has also been fostered by the nation-states, mostly in LA, where its governments have adopted the neoconservative discourse which relied on the weakening of central government.

This decentralising process also follows certain democratic and progressive rhetoric for the purpose of its identification as a consolidation of the democracy reinstated in LA from the 1980s. In this period, a rapprochement was sought between politics and the citizen through institutional and electoral reforms while at the same time trying to ensure more citizen involvement in political affairs, bringing about the development of local

policies with the wide participation of different actors.

3.3 Internationalisation

Globalisation and decentralisation, together with other national and local processes, drive the process of internationalisation of subnational governments. Globalisation brings supply and demand from other places in the world closer to subnational governments, more rapidly and directly due to widespread acceleration in all areas and less intermediation by central governments, among other factors. Decentralisation sets territories up as the new development actors and as such they are required to adapt their institutions and programmes in order to attain local development. This calls for permanent communication with other territories at national, regional and global level.

The existence of development cooperation and the possibility of developing policies jointly with other subnational entities mean that the internationalisation process is accompanied by the creation of international relationships for which contacts must be established, actors must be trained and institutional changes must be promoted within subnational governments. In this respect, some authors refer to the appearance of paradiplomacy or postdiplomacy, but the important thing is that subnational governments build international relationships regardless of not having the legal competence within international law to do so.

In this context of globalisation in the world sphere, decentralisation in the national sphere and the internationalisation of subnational governments, the latter are starting to look for partnerships with similar actors leading to the establishment of networks of relationships with different scopes and with many diverse objectives, seeking to strengthen their institutions and develop different policies. Par-

ticipation in such networks is key to the positioning of subnational governments in the flow of development cooperation.

In the international sphere there are states, regional structures and international bodies, all of them subject to international law, but subnational governments, networks established at national or regional level, non-governmental and international social movements are also appearing and attaining progressively more relevance within the international context. Motivations or incentives to act in international spheres are many, including economic, cultural, political, solidarity and security reasons.

3.4 Regionalisation

Regionalisation or regional integration processes affecting both the Member States of the EU and those belonging to different Latin American processes (SICA, CAN, MERCOSUR, among others) motivate or generate bonds at the level of subnational governments in order to intervene or have a bearing on regional processes, or to help to solve internal affairs. Some subnational governments were not motivated or driven to enter the international scenario by globalisation or decentralisation; the appearance of regional networks around integration processes was necessary in order for them to join such processes as a means to gain access to international links. Therefore, it may be stated that regional integration processes add a regional challenge to subnational governments (particularly in border territories) as well as a window of opportunity as evidenced by the paradigmatic case of the Mercocities Network and the achievements made in terms of cooperation.

Regarding the EU, subnational entities have encountered support for interre-



gional (within) and extra-regional (outwith the EU) cooperation, gaining important levels of participation – with certain weaknesses - within the institutions of the European Union. It is worth mentioning the creation of the Committee of the Regions in the Maastricht Treaty as an event of institutionalised participation, but there are multiple associations of municipalities, cities (Eurocities), regions and other entities. European cities and municipalities have established a permanent lobby internationally and globally to compete for various funds and to have a political bearing on the allocation of these funds. Like other regions, they have established international bonds and have succeeded in obtaining financing for cooperation. In addition to this, they have allocated their own resources.

The influence of subnational governments in integration processes in LA is not so apparent, though the existing associations and networks dynamise the international participation of subnational governments. Recently, the Consultative Forum of Municipalities, Federal States, Provinces and Departments of MERCOSUR (FCCR) was created within the institutions of MERCOSUR; it is worth mentioning that its existence may be credited to the permanent influence and request of subnational governments collected within the Mercocities Network, through which hundreds of cities and municipalities of the region have gained access to the international sphere. The CAN has the Andean Advisory Council of Municipal Authorities (CCAAM), which in the same way as MERCOSUR, was driven by a network of cities, the Andean Network of Cities (RAC), the true driving force behind the institutional participation of the subnational governments and their incorporation into the international context; with regard to SICA, there have been a number of steps forward and backwards in terms of

the institutionalisation of the Consultative Forums which hinders their implementation, although some important networks of subnational governments do exist.

Despite this institutional weakness in LA with regard to the Consultative Forums of subnational governments in the integration processes (greater in Central America, a little less in the Andean Region, and still less in the Southern Cone), the greatest flows of decentralised cooperation are concentrated in Central America, especially in Nicaragua. In second place is the Andean Region, mainly Bolivia, and the Southern Cone is in last place. This suggests that having strong subnational associations or governments is not enough to obtain larger amounts of development cooperation funds.

Decentralisation processes have mainly been consolidated in the Southern Cone, a little less in the Andean Region, and are weak in Central America. However, this issue has not had an influence on obtaining more flows of decentralised cooperation, which seem to be especially aimed at the poorest countries in LA and not necessarily to the poorest regions.

In short, obtaining greater amounts of decentralised cooperation is not clearly or linearly connected to greater international activity, stronger regional bonds in networks and forums, or to a higher level of decentralisation, or to institutional strength. However, it is clear that the processes mentioned make subnational governments broaden their competences, strengthen their institutions and improve local governance, and develop national, regional and international activities bilaterally, multilaterally and through associations or networks with others, so as to help them support their internal processes with the greatest amount and variety of cooperation achievable.

3.5 The effects of these processes

To recap, globalisation, decentralisation, internationalisation and regionalisation are all processes driving subnational governments towards international action. Though this subject is the exclusive territory of national governments from the legal point of view, in practice it has developed in the subnational sphere and therefore it is worth reviewing its limits and potential.

To begin with, absence of the formal competence of subnational governments in international matters has not prevented their action in such areas. Beyond those legal restrictions, there have sometimes been political limitations, whether from central governments or from higher ranked subnational governments (as in the case of some Brazilian states with regard to their cities and municipalities).

The classic conceptual frames of international relations, which turn central governments into the only actors in the international system, give no possible answer or interpretation for the incorporation process of subnational governments into international relations, or for that of other private actors or movements in civil society. Such incorporation forms a complex scheme that needs new theoretical approaches that, although they cannot deny the centrality of the nation-state in international relationships, will nevertheless integrate these new actors. Local powers are participating in strong international activity within which decentralised cooperation is unfolding and growing (particularly the area that OECD EU-LA is interested in: local decentralised cooperation resulting from the bond between subnational entities sharing projects that are driven and financed by themselves). New approaches will include subnational actors and allow the analysis of flows of decentralised cooperation in all their dimensions and consequences in the local, national, regional and international sphere.

All these processes that involve subnational governments and open up the possibility of their participation as actors in the international scenario, whether by themselves or through national, regional or international networks or associations, generate a pattern of relationships at international level that boost and support new perspectives of development cooperation. Among them, decentralised cooperation stands out for its characteristics and strengths. It is in tune with the perspectives of human development and mutual benefit, and it fosters projects supporting decentralisation, local development and the necessary institutional strengthening underpinned by processes of local ownership, participation of organised civil society and citizen control. Such projects allow the development of public policies for the fight against poverty and for social integration, or against ethnic and gender discrimination, among other social policies inherent to subnational governments.

3.6 Narrowing the scenario: bi-regional EU-LA relations

A last process to be reviewed is connected to the framework in which these international bonds between LA and Europe's subnational governments are formed, that is, a process of bi-regional relations between the two continents. Although on the one hand there is a single integration process, the EU, and many on the other – basically SICA, MERCOSUR and CAN- the possibility of a Latin American-European strategic association has been proposed in every summit held since Rio de Janeiro 1992, up until Guadalajara 2004, and will be proposed again in the next summit, to be held in May 2006. The unification of Latin American integration processes would greatly favour any association between the two regions, but that is quite a distant possibility, given



the weakness of the processes that are already in place, including MERCOSUR, the most developed in relative terms. Furthermore, there are some very important countries engaged in Free Trade Agreements with the United States, which limits their capacity to associate with other countries, mainly from the socio-economic point of view. The cases of Chile and Mexico stand out in particular, due to their relevance within the region.

Please note that it is the EU that adopted decentralised cooperation as a relevant mode of community policy at the Lomé IV Convention in 1989, originally directed at Asia, the Caribbean and the Pacific, basically carried out through NGOs. Little by little it was extended to other territories including LA, where subnational governments have increasingly gained ground in cooperation flows over the years. On the other hand, it should be underlined that cultural-historical bonds and relationships between European and Latin American subnational entities existed before community impulses, whether through twinning, bilateral or multilateral relationships, associations and so on. But the motor of the EU provides it with the characteristics and potential mentioned above and with the label of decentralised cooperation. The European effect, mostly that of the European Commission and its URB-AL programme, among others, seeks to have those existing cooperation flows arranged, stimulated and coordinated, by conceptualising the phenomenon, confining it to a modern development cooperation approach, coordinating it with the other EU policies towards LA, and increasing its financing. This should motivate the phenomenon's development, as well as a better achievement of its objectives and sustainability guaranteed by the actors themselves.

This framework of bi-regional relationships, or of intended strategic associa-

tion, clearly restricts decentralised cooperation to European-Latin American negotiations, which are based on a political-strategic dialogue and negotiation. Answers to the issues on which decentralised cooperation aims to have a bearing demand political definitions that choose a development model and the place to be taken in it by national or international, public and private actors. It is also necessary to visualise the set of relationships between the EU and LA in the different social, cultural, political, economic and trade spheres in which they operate. Hence, political agreements on the principles and values of international politics, inter-bloc cooperation, cooperation between states, decentralised cooperation at all levels, trade relationships (especially in agricultural issues) and cultural exchanges, among others, are of particular relevance.

4. Some contributions of decentralised cooperation

In its short existence, decentralised cooperation as conceived by the Observatory for EU-LA Decentralised Cooperation² and by this article has carried out programmes throughout Europe and LA, although, as reported above, some territories have received more cooperation than others; it can also be stated that Spain, firstly, as well as France, Italy, and to a lesser extent the other European countries have been the European counterparts of this type of cooperation. For more information on these issues please see the material produced by OCD included in this section of the Yearbook immediately after this article.

Programmes circumscribed by the old cultural-historical bonds and new

ones, connected to the boost received by decentralised cooperation in the framework of the programmes launched by the European Commission and other regional, national and subnational European actors, have had repercussions in the territories. Some of these repercussions have to do with the targets established by the programmes themselves, and others appear as positive externalities generated by decentralised cooperation. Within this collection of repercussions, the Observatory has given priority to registering those that affect regional integration processes, including their networks or associations or city forums; the institutional strengthening of subnational governments, with particular note taken of democratic governance; and contributions to fighting against poverty, generating social inclusion processes. Below is an outline of the possible repercussions, based on certain cases generated in specific situations and others which can be expected given the characteristics of decentralised cooperation.

4.1 Integration processes and decentralised cooperation

So far, regional integration processes have been presented as generators of international relations between subnational governments, whether in Europe or in LA, and also as the areas in which governments seek to influence and from which they expect to receive support, incentives or financing for their policies in the territory or in the sphere of international cooperation. It has also been said that the strengthening of international relations between the subnational governments of both regions is expected as a result of the bi-regional bond between Europe and LA in general, and between the EU and various Latin American integration processes in particular, along with an increase in the flow of cooperation between them.

Reference will be made in this section to another element of this bond: the contribution that decentralised cooperation can make to the strengthening of regional integration processes and especially to the strengthening of networks and associations of subnational governments, particularly through its expressions in regional institutions by means of Consultative Forums (FCCR in MERCOSUR) or Committees (Committee of the Regions in the EU).

Regarding the strengthening of integration processes, the programmes that have resulted from decentralised cooperation may bring people and territories closer to the integration processes, awakening a feeling of belonging by means of education, culture and historical ties, and promote joint projects between the territories and their respective subnational governments, especially in border territories. In the “Conference on local partnership between the EU and LA: Balance and perspective of decentralised cooperation between the European Union and Latin America in the field of urban policies” held on 22-24 March 2004 in Valparaíso, a statement was signed supporting the deepening of the regional integration process, the implementation of which relies on the cities, local governments, municipalities and regions. Such deepening is regarded as the mainstay of economic development, social cohesion and democratic governance in LA.

Achieving the targets presented in the area of regional integration calls for the joint work of the networks that exist in the different regions, whether they be part of the institutions of integration (Forums and Committees) or not (networks of cities and municipalities). The Mercocities Network stands out among

² See the article by María del Huerto Romero included, which provides a thorough review of the characteristics of decentralised cooperation, and puts forward an operative definition of the concept to be discussed with its actors in the framework of the Observatory.



the latter in LA due to the relevant role it has played so far. This means that the European programmes or actors should take these Forums, Committees, networks and associations as official mouthpieces for decentralised cooperation, supporting them, promoting their operation and bringing about new communication. This would bring certain changes to the orientation of the funds allocated to this type of cooperation. There were some unsuccessful attempts in this respect, though a request has been recently accepted from Mercocities to present recommendations for the next definition of the cooperation programmes of the European Commission for the period 2007-2013.

In EU-MERCOSUR relations, as well as for the other blocs, decentralised cooperation appears in the broader framework of cooperation that is defined at the political level, and there is an intention to institutionalise structures for political dialogue within the associations of subnational governments, like those that exist at other levels. The realisation of the European-Latin American strategic association, which is based on the success of regional integration processes, depends on the success of political dialogue and the strong progress of Latin American development, with the support of EU development cooperation with the implicit characteristics of decentralised cooperation.

4.2 The fight against poverty, social inclusion and decentralised cooperation

This issue is central to all providers of development cooperation funds, given the levels of poverty and social exclusion currently registered around the world. In Latin America, particularly, besides the high levels of poverty recorded there is also the issue of inequality; it is the region with highest levels of inequality in income distribution in the world. This is the reason for the exclusion of large segments

of its population excluded from social systems, whether in their political, economical, cultural, educational or other form.

It is important to note the relevance of the potential and limits of decentralised cooperation in terms of support for processes and programmes for the fight against poverty and inclusion for at a territorial level, fostering local development. In general, decentralised cooperation seeks to generate integral policies committed to social and economic development, in connection with human development theories. For this, the war on poverty is essential as a first step towards social inclusion and full development of the human being in the economic, social, cultural and political dimension.

Decentralised cooperation and the policies of the war on poverty share a fairly broad concept of social development, with social justice, with local ownership, with participatory processes and with the consolidation of democracy, in this case within the frame of local development. These policies are carried out in networks of public and private actors, a framework fostered by decentralised cooperation in order to unfold a concept that is sustained beyond the specific experience and creating synergies that do not depend on its financing. This approach implies a change regarding the idea promoted by the neoliberal point of view, as national or subnational governments play a key role in policy-making processes, in the style of the social welfare states that still exist in countries on the European continent.

Decentralised cooperation sponsored from Europe promotes social protection systems that seek to protect individuals from social risks, preparing them so that they can gain access to education, work and to all the rights and benefits to be provided generally and indiscriminately by the State. Satisfaction of all primary needs and the full exercise of

fundamental rights must be guaranteed for all individuals. The universal nature of the programmes and the principle of solidarity exist in the conceptual basis of the programmes for the fight against poverty and for social inclusion, but in some cases it is necessary to make an extra effort so that certain segments of the population can have access to the universal policies.

There is no systematised record of experiences demonstrating the achievement of the objectives put forward so far, which makes it difficult to extract examples and analyse their concrete manifestations. The Observatory seeks to overcome such limitations when carrying out research and in considering good practices through the recording of experiences, the review of these and their conceptual implications, their diffusion in several formats (bulletins, magazines, yearbooks, etc) and also by training actors by means of exchanges and of presential and distance learning.

Decentralised cooperation seeks to fortify local social capabilities. This is the essence of human development policies that strive for social inclusion based on the increase of the capabilities of all individuals, which in turn is the irreplaceable raw material for the increase of local social capabilities. We are facing a virtuous circle, in the sense that decentralised cooperation takes into account a concept of human development which, in turn, corresponds to the objectives of the fight against poverty and of the social inclusion of all individuals.

The networking of decentralised cooperation allows the possibility of registering good practices in local development strategies, and facilitates the transmission of experiences, techniques, experts and procedures, among other things, leading to the improvement of anti-poverty and social inclusion programmes. The role to be played by subnational governments in such programmes is uncertain, as is the contribution to be made by private actors,

among which NGOs stand out for their accumulated experience and their flexibility in the handling and administration of funds at the different execution stages.

The various legal structures of the different subnational governments are, in principle, a restriction on the good development of the coordination processes anticipated in the programmes. However, this cannot only be regarded from its negative aspect or as a problem, but, on the contrary, should act as a boost to the undertaking of legal-institutional restructuring that improves the capacity of subnational governments. The effort to keep the programmes together despite the diversity of actors, including those who are involved in their implementation, represents a lesson in itself. Differences may be organisational, political, human and institutional, or of resources or priorities, to mention a few, but they can all enable joint learning and unity in the implementation of a given programme.

The integration of different perspectives, as well as the institutional coordination and territorial application of policies, are repeated recommendations for anti-poverty and social inclusion policies, which fully coincide with the ways in which decentralised cooperation is implemented. Decentralised cooperation applied to the fight against poverty and to social inclusion promotes the integration of actors, coordination between territories, coordination between different sectorial policies and between bodies of the same sector, the inclusion of the private sector and social organisations, the mechanisms for participation and control, and their territorial application.

Decentralised cooperation may also favour the incorporation of gender equality as part of the integral objectives set by the local development processes. In establishing bonds with European municipalities, where the issue of gender is institutionally included, there is a



greater zeal for the preservation of this factor. Successful experiences in terms of the incorporation of gender perspectives in European municipalities or regions favour the direct transmission of experiences to Latin American subnational governments. URB-AL Network 12 is an experience to be analysed with regard to the achievement or not of these experiences. In view of the local ownership of projects, it is possible that the people of Europe demand the promotion of gender equality.

4.3 Institutional strengthening and decentralised cooperation

The institutional strengthening of local governments is essential for the systematisation of all the changes arising from the processes listed in the preceding pages, including globalisation, decentralisation, internationalisation, regional integration and EU-LA cooperation. Likewise, it is also necessary for the management of the new challenges and competences derived from these same processes. Governments must have the political leadership and technical-administrative capacities required to financially deal with the management, to modernise their institutions, to train their civil servants and, lastly, to promote spaces for social participation and control.

In Europe, these processes of change have taken place quite successfully and with differentiated achievements, and subnational governments have satisfactorily adapted to the challenges that appear as a consequence of such changes and of the set of new competences they have to take up. In Latin America, institutional issues are based on the lack of local governance and management capacity. In certain Latin American countries such deficits exist even in central governments, which makes the transfer of wider competences at subnational government levels unthinkable,

when they do not even exist for the central government.

The decentralisation processes that have taken place in LA since the democratic restorations, in some cases driven by neoliberal reforms and in others by processes of demand for wider local competences, have led the territories to be regarded as local development spaces, and subnational governments as central actors in the solving of the problems of their towns. As a consequence, institutional strengthening is urgent, and the search for democratic “governance”³³ is a daily task and one of the main objectives of governments.

The democratisation of development processes brings about changes in subnational institutional arrangements, in relations with other subnational governments in the country, the region or the rest of the world, in links with central governments, regional institutions and other international bodies or institutions and in the coordination of policies with private actors, political parties, NGOs and social movements.

The strengthening of citizenship is relevant for institutional strengthening, and is the essence of local governance, as well as for the generation of spaces for exchange, the promotion of collective actors and the connection of the local with the national and the regional, all in terms of political definition and interpretation.

It is very important for decentralisation and local development processes to achieve economic and institutional sustainability, for which it is imperative that such processes are formalised in connection with subnational governments, and for those involved are capable of becoming collective actors representing the memory and the guarantee of continuity and improvement in the policies developed. The economic dimension must have targets of redistribution of resources that will enable,

together with economic development, social and human development within the territories. The inclusion of excluded groups and their organisations is indispensable in certain regions. A remarkable example is that of the Native Americans in the Andean region and in some other territories; in these regions it seems that the construction of the State will be carried out from the local sphere, combining diversity with unity.

Decentralised cooperation is an element for the reinforcement of local institutionality in LA, although the process has different advances and maintains a wide distance between discourse, regulations and practice. The new roles of subnational governments are connected to the forms of governance promoted by decentralised cooperation. This is clearly identified with the territory as a place for the application of programmes, but identifying it as a subject of cooperation instead of an object of aid. Besides keeping in mind the reason for cooperation, both institutional strengthening and decentralised cooperation focus on how it is put into practice. To know how this is to happen, the process has to start by respecting the specific nature of the territory, bearing in mind the agendas defined by these things. Decentralised cooperation must support the way in which agendas are defined, it must finance issues enabling local development, it must take into account the relationship with the national and regional spheres and it must also guarantee the resources required for attaining these objectives.

5. Summing up

5.1 Issues and concepts at stake

The section outlining the evolution of development cooperation provided an intro-

duction of the facts that shape it in practice, and the conceptualisations that arise when analysing old theories in the light of new events. In this route through history, and in the processes of the last two decades, the impulses which gave rise to and developed the subject matter of this article come into view: decentralised cooperation.

Some of the issues currently influencing the practical existence of decentralised cooperation and the concepts sustaining its current theoretical approaches will be introduced in this summary, as a complement to the above, although it is not intended as a complete and thorough description of all the affairs involved.

The new agenda of development cooperation does not believe in centralised management, it regards the markets and states as necessary elements for its purposes. It relies strongly on politics as the definer of its frames of reference, it believes in institutional reforms and in the opening of participation processes which provide support to regional governance. In the 80s, the European agenda of cooperation sought the universalisation of cooperation policies, the increase of partnerships in countries of Africa, the Caribbean and the Pacific, and the democratisation of the countries of Eastern Europe.

As stated above, the IV Lomé Convention signed by the EC and the ACP countries (the African, Caribbean and Pacific Group of States) established the foundations of European cooperation, introducing, both in 1989 and in 1995, the concept of decentralised coopera-

³ The term “governance” is used as it implies something other than simply governing in the minimalist sense of managing state or municipal affairs and preserving democratic institutions. The concept encompasses the search for transparency, political participation, citizen participation and the ownership of initiatives by all actors involved.



tion. It then adapted the European agenda to the current global development agenda, which stresses the role of good government and the conditionality of aid.

The commitment of the EU to decentralised cooperation had three objectives: to eliminate the exclusiveness of the national states, generating new actors; to increase the number of both governmental and non-governmental actors in development cooperation and to promote the development of the South. Decentralised cooperation intended to establish new links through national and international networks with variable formations. Implementation difficulties and political situations led to the prioritisation of the political and institutional reforms established by the World Bank, which left decentralised cooperation relegated to behind the major issues and reforms proposed.

The weakness of decentralised cooperation and the pre-eminence of major reforms restricted the possibilities of implementing processes of true and sustainable development. It was necessary to resort to political definitions promoting the creation of synergies in order to support the processes and actors committed to new concepts of development cooperation in tune with decentralised cooperation.

Besides the political definitions, it is necessary to understand the current status of development cooperation, and the restrictions and potential of new approaches. It is necessary to define the place to be taken by the EU in terms of the definition of development cooperation, and to consider the greater development of decentralised cooperation, going more deeply into its objectives.

The global development agenda is determined by few, and it is under the influence of factual data and conceptual development resulting from the analysis of information in

the light of current paradigms. At present it is based on the discrediting of national governments as the main actors in development, and on the failure of neoliberal policies. Both visions, state distrust and market distrust, share the idea that development is a linear and ongoing theme, something that has historically been proven wrong. The current paradigm believes that state and market are necessary as main actors in development processes. Furthermore, it is based on the construction of networks with different actors from the government, the private sector and civil society.

Decentralised cooperation needs new ways of solving the social structure and a change in the current development paradigm, for which the EU should play a key role in the definition of the global development agenda. The good government encouraged by the current paradigm and the institutional reforms leading to it should take place before the development of decentralised cooperation. Political institutional changes considered as appropriate do not allow the potential of decentralised cooperation to be fulfilled. Moreover, local institutional strengthening is not included in the problems prioritised by the current global agenda.

The development of decentralised cooperation calls for its better implementation, which requires the improvement of the programmes adopted as well as of the instruments chosen for its application. On the other hand it is necessary to arrange the ideas differently with respect to the social organisation structure, the set of ideas shaping a paradigm of development that matches this structure, and to the establishment of local capabilities through the contribution of decentralised cooperation.

The EU must be strongly committed to these changes, making a decisive choice for partnership and giving a new boost to

the principle of complementarity in the area of development cooperation which will allow an increase of Europe's influence in terms of development. In short, Europe must demonstrate the benefits of decentralised cooperation, make it stronger and carry it out both in practice and in the field of ideas. The future of decentralised cooperation strongly depends on Europe and, to a lesser extent, on its counterparts, which in this case are the Latin American territories. In this way decentralised cooperation will be fostered, making it no longer a minor issue within development cooperation, while promoting European cooperation internationally and taking substantial steps towards the implementation of the European-Latin American strategic association based on new foundations.

5.2 Different types and modalities of decentralised cooperation

First we shall outline the different types of links or relationships in which decentralised cooperation takes place and those created by it between subnational governments. A first distinction should be made between institutionalised and non-institutionalised relationships. The former includes bilateral relationships: twinning, bilateral projects of subnational governments or associations between them and multilateral relationships like networks of subnational governments and projects with more than two participating institutions.

Twinning was greatly developed after the Second World War between regions that generated migration and those that received migration, between metropolitan and colonial territories. At first, based on family, cultural and historical bonds, among others, an affective rapprochement was created which later gave rise to cooperation processes. This type of relationship does not always display special

characteristics of decentralised cooperation. That is, it may simply be about links without concrete exchanges, there may be processes of financial or material contributions, and projects may be developed that do not necessarily imply local ownership, social participation and control or the vision of mutual benefit and partnerships, among others.

Twinning is fertile ground in which to develop, improve and disseminate decentralised cooperation as conceived and made known by the EU and other actors, so that the accurate measurement of this phenomenon, the identification of its actors and the dissemination of the benefits and potential of decentralised cooperation may lead to its increase within this sphere of relationships.

Bilateral projects are the most common type between European and Latin American subnational governments. They establish a direct relationship between such governments, with the aim of implementing a joint project. Civil servants of both governments interrelate in these projects, set out joint objectives and agree on the time frame and the means for their achievement.

Bilateral projects may arise within the framework of certain twinning, in multilateral processes or as the result of the work of subnational government associations or networks. Financing sources may be many: third party actors, one of the partners on the project, both partners, or a combination of these possibilities. The adoption of a decentralised cooperation perspective strongly depends on the source of resources and its connection with these issues; however, just like in twinning, it is necessary to disseminate the advantages of decentralised cooperation between potential actors in bilateral projects.

Relationships between subnational government associations, principally cities



and municipalities, promote the generation of projects between them and their members. Such associations seek to influence other levels of government and to establish exchanges between their members and those of other associations. Relationships between associations may rely on political contacts, informal links, specific projects or exchanges at different levels. In all cases, the diffusion of decentralised cooperation through these associations makes it easier and faster, and therefore they are the main actors for spreading and consolidating this type of development cooperation.

Networks stand out within multilateral relationships because they have a supporting structure. This structure enables the diffusion of decentralised cooperation from the point of view of associations and may also give rise to and promote styles of decentralised cooperation that are considered appropriate in the sense of recovering good practices and their respective conceptions. The origins of networks are based on joint objectives, providing one of the main characteristics of decentralised cooperation. Networks also have flexibility, adaptability, a relationship between peers in which no hierarchies are established, all of which are characteristics promoted by the decentralised cooperation created between the EU and LA. The objectives of networks also overlap with the objectives set out by decentralised cooperation: the establishment of economies of scale between territories with shared challenges, the consolidation a lobby system, joining the international system so as to benefit from it and the generation of new ideas and shared values, among others.

Multilateral projects set up associations for the execution of a given project, establishing goals, actors and time frames to be met. An example of this type of project are the projects elaborated within the frame of the

URB-AL Programme created, promoted and financed by the European Commission. There are many examples of this type of project, and an observatory is in place that is intended to analyse the impacts generated by such projects in order to redefine the programmes' objectives and scope.

Informal relationships and meetings are not institutionalised and are short term. They generally come from other types of relationship or are the starting point thereof. There are several types of exchanges, especially in the area of information. The number of members is variable, and the intensity of the relationship is by definition low, but they may be the beginning of institutionalised relationships which may, over the years, facilitate their integration into decentralised cooperation. They may not be systematically registered and they are therefore not included within the OCD targets.

5.3. Different aspects and actors of decentralised cooperation

Decentralised cooperation is analytically supported by modern international cooperation and development models that seek to promote local development process by means of the institutional strengthening of subnational governments so that they can fulfil their new capacities arising from the different processes reviewed and meet new challenges in the area of human development.

In the document: "Decentralised cooperation: Objectives and methods" drafted by the European Commission (1992) it is stated that decentralised cooperation is a new approach in cooperation relationships, seeking direct contact with subnational governments, generating projects of mutual interest to be implemented with the direct participation of

the interested parties, with local ownership by those parties and citizen control. These characteristics were reinforced in 1998 through the establishment of the “Regulation on Decentralised Cooperation”.

Other actors in decentralised cooperation join subnational governments: NGOs, professional associations and other groups of various initiatives such as cooperatives, unions, women’s or youth organisations, teaching and research institutions, churches and all non-governmental associations that can contribute to development.

Among its main characteristics as development cooperation, with emphasis on the concept of human development, are the diversity and number of actors, multilateralism and the concept of mutual benefit and the use of new instruments which in many aspects go beyond simple financing. From these definitions, analysts and actors in decentralised cooperation extract different approaches and also different practices developed in each of the specific projects.

Regarding the actors in decentralised cooperation, attention must be paid to the different roles they can play: as leaders, promoters or merely as participants. All those who operate in a given territory are possible actors, whether governmental or private agents, or pertaining to civil society. The role played by each of the actors involved in a decentralised cooperation project or programme has to be clear. Broadly speaking, those leading the initiatives are subnational governments and territorial NGOs, both European and Latin American; in a more restricted perspective, initiatives are handled by subnational governments. In order to clarify who are the leaders, promoters and participants, certain qualifiers are added to the type of cooperation, designating it local, direct or public decentralised cooperation.

Regarding the promoters of the initiatives, a distinction can also be made in terms of a broad and a narrow approach. Strictly speaking, the promoters of these initiatives are subnational governments, though this perspective acknowledges the support that may be received from the sphere of central government or of regional or international authorities. In a broader perspective, it is considered that the initiatives have different promoters: subnational governments, central governments, international bodies and institutions of regional integration processes. The URB-AL Programme of the European Commission would be an example of promotion by regional institutions.

In terms of the results expected, the first is the principle of mutual interest. No results can therefore be expected in a donor-recipient perspective. Results must serve the plurality of actors and the project in its entirety. The decentralised cooperation approach corresponds to the new conceptions of development cooperation and international relations. Also, the principle of co-financing may be added to that of mutual benefits, an issue included in several decentralised programmes promoted by the European Commission for Latin America.

In terms of the scope of decentralised cooperation, as decentralised cooperation is a new way of cooperating, with several leading and promoting actors obtaining mutual benefits, it is interesting to know how cooperation projects are carried out. The moment in which the different actors join the process is crucial: upon financial distribution, when the project is in its execution process, for the joint decision-making process or throughout the whole process, from its conception to its end.



In practice, the different combinations of actors, results and scopes result in distinct projects, which come more or less close to the perspective of development cooperation implied in the decentralised cooperation approach. This approach emerges from the conceptual interpretations of decentralised cooperation practices and from the new modes of cooperation focusing on the concept of human development.

6. Some perspectives

Although decentralised cooperation is a recent practice with certain weaknesses in its legal framework, this modality has increasing relevance among European subnational actors, and it forms part of the sphere of development cooperation and the framework of links between the EU and LA. Subnational governments in LA are progressively more involved in international networks, in which they create specialised areas in matters of international relations and development cooperation. The extensive linking of European and Latin American subnational entities as part of the URB-AL Programme is an example of the increasing importance of decentralised cooperation.

The general tendency for the consolidation and expansion of decentralised cooperation has some privileged geographical areas both in European and in Latin American territory. In Europe, those located in Spain stand out, then in France, and then the others; in Latin America there is a greater concentration of experiences in Central America and then in the Andean Region.

As described above, the different modes and results are other characteristics of the group of experiences. Up until two decades ago, cooperation was focused on twinning, with some solidarity and cultural actions and, to a lesser extent, transfer of resources. The objective of 0.7% to finance development cooperation gave rise to projects, mostly bilateral, with the par-

ticipation of NGOs, at the earliest stage, then with the progressive appearance of subnational governments.

In recent years, twinning has still been carried out in its classic format. There are cooperation events based on the conceptions of aid or assistance, with the transfer of resources as a method, coexisting with different kinds of decentralised cooperation. In some cases, this transfer takes place directly between subnational entities of both continents, more or less based on the idea of mutual benefit and joint implementation.

These experiences of decentralised cooperation apply several extra methods or components which add to the mere transfer of resources, and are more in tune with the new concepts behind development cooperation. Therefore, they occupy a privileged place in the decision-making process in the area of decentralised cooperation in particular, and of development cooperation in general, between the EU and LA, in the framework of the strategic association between the two continents mentioned above.

There are many restrictions and difficulties in its development. First, the existing weakness in many subnational actors must be underlined in terms of the management of new challenges, especially in the Latin American region, although there are also weaknesses in European territories. The different modalities of procedures and practices are also a limiting factor in assuming financial responsibilities arising from the transfer of resources. The co-financing of shared initiatives may cause delays in the package of decentralised cooperation projects in the case of the poorest or least developed subnational governments.

The scattered nature of information is a difficulty inherent to the decentralised approach, in combination with the difficulty of grouping and systematising it. The UE-LA OLDC was created in order to overcome such difficulties, as it seeks to collect and systematise the information, carry out research and disseminate the results in various ways, free of charge, with the

intention of reaching all the relevant actors, the experts analysing the phenomenon and the general public.

The development of the potential of decentralised cooperation is subject to various factors, among which the greater participation of subnational governments in international relationships and in development cooperation flows, in order to have both a political commitment to decentralisation and to social participation stand out, in addition to the ability of governments themselves to generate local development processes in which decentralised cooperation is a main element in their implementation.

Confronting these limitations must be a priority for all actors involved in development cooperation between the EU and LA, and particularly for those involved in decentralised cooperation processes. This will allow a greater display of their potential, including associations between different actors, mutual benefit, local ownership, social participation and control. All of this will promote decentralised cooperation and will contribute to the achievement of better results in European-Latin American association and cooperation, which is, at present, underpinned by the promotion of social cohesion, governance and regional integration.

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Analysis of Local Decentralised Cooperation

Contributions for the construction of a conceptual frame of reference within the area of relations between the European Union and Latin America.

KEY WORDS

*Development cooperation |
Decentralised cooperation |
Subnational governments |
European Union |
Latin America |*

This article presents some reflections on decentralised cooperation and its diverse interpretations from the perspective of the relations between the European Union and Latin America, in order to contribute to the elaboration of precise conceptual frames of reference for this phenomenon. The first section analyses the way this new modality of cooperation has emerged from the fact that visions of development and international relations have changed. The second section explores various interpretations of the concept of decentralised cooperation based on different approaches: the actors' perspective, the expected results or the way in which decentralised cooperation is put into practice. In order to overcome these ambiguities in the definition of the concept, this section proposes a preliminary operational definition of decentralised cooperation, based on the principles of multilateralism, mutual interest and partnerships, taking into account the fact that the latter is progressively tending towards initiatives that add value to activities based on the specific nature of the areas of competence of local governments.

It then examines on the one hand the benefits of decentralised cooperation - both instrumental and relating to its specific nature and relevance - and, on the other hand, it analyses the dynamics of the international actions of subnational governments, which act as a driving force for this kind of cooperation. The article concludes by setting out some final reflections on the prospects of decentralised cooperation between the European Union and Latin America.

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1. Introduction

Decentralised cooperation has different meanings and scopes and can adopt diverse forms and modalities depending on the area. This has led to ambiguities and confusion regarding the use of terms, and to difficulties in the identification and analysis of decentralised cooperation practices.

The dynamism of this kind of initiative in the area of relations between local governments in the European Union and Latin America and their future perspectives, challenges us to progress in the elaboration of more precise conceptual frames of reference. However, this in turn requires a much more consistent casuistry than the current one, as well as a broad collective debate between the different actors in decentralised cooperation.

For these reasons, this article only intends to present some preliminary reflections, deliberately attempting to generate a debate within the framework of EU-LA OCD activities.

To do this, this paper uses a methodology that combines: a) an approach to decentralised cooperation as a reflection of the changes that have occurred in the concept of international cooperation, in the visions of development and in international relations; b) an analysis of the diverse interpretations of the concept; c) a preliminary proposal of the operational definition that may be helpful within the field of work of the Observatory; d) a review of the potential and perspectives of European Union-Latin American local decentralised cooperation reflections presented be reconsidered and reformulated in upcoming editions of this Yearbook, based on information that the Observatory's Resource Centre may provide and on contributions presented in debate that arises.

2. The focuses of development cooperation¹

After the end of the Second World War, international development cooperation was initially conceived as an expression and instrument of “aid” to less developed countries, thus acquiring a unilateral character: from donor to recipient.

This approach of “cooperation as aid or assistance” -or “paradigm of the formation of physical capital”, as defined by Montúfar (2004)- was based on the vision of development that was dominant in the second half of the 20th century. According to this vision, the financial and political efforts involved in fostering development (basically understood at the economic level² as an increasing expansion of the productive capacities of a country), should be undertaken by the government of the Southern country, when faced with a weak private sector and civil society. That is why the system of development cooperation was initially conceived predominantly as a

¹Before going further in this section, it is necessary to demarcate the scope of some concepts used herein. First, it should be stated that the article is restricted to the sphere of international development cooperation, that is to say, “... between countries of different income levels, with the intention of promoting economic and social progress of the Southern countries...” (Gómez Galán and Sanabuja 1999). Hence, it does not include cooperation actions between countries of similar income levels (North-North or South-South), nor the whole potential universe of cooperation actions that the study of international relations entails. The same clarification applies to the use of the term “decentralised development cooperation” in this paper: However, in order to simplify the wording, only the words “cooperation” and “decentralised cooperation” are used, though always within the scope mentioned above.

²As expressed by José Antonio Alonso: “Even if other dimensions involved in the characterisation of underdevelopment were accepted -social inequality, institutional weakness, a high rate of ruralisation, high mortality and birth-rates, low life expectancy or low level of education, for example-, they were considered as symptoms rather than explanatory factors of the phenomenon. The key dimension in which underdevelopment was defined was clearly of an economic nature.” (Alonso 2003).



policy between central governments, assigning the role of mere observers to civil society and the private sector. The core instrument of this classic model is the transfer of resources carried out as an outright grant or as donations without repayment. (González-Badia Fraga and Ruiz Seisdedos, 2003).

This approach illustrates the name given to the body in charge of development cooperation issues, created in 1960 as part of the Organisation for Economic Cooperation and Development (OECD): “Development Assistance Committee” (DAC)

The 1980s can be considered as a transition phase in development cooperation, owing to the occurrence of two simultaneous and -apparently- contradictory dynamics. The crisis of those years led, around the middle of the decade and almost until the end of the 1990s, to the predominance of the neoliberal paradigm, the result of the Washington Consensus, on which the adjustment and reform programmes for developing countries were based during those years. Its confidence in the ability of the market to spontaneously create development opportunities for all, and its emphasis on the reduction of State size and functions eventually called into question the very functionality of cooperation for many developing countries. As expressed by González-Badia Fraga and Ruiz Seisdedos (2003): “...if the market was so efficient in promoting development, then what was assistance needed for?”

In parallel to this, the benefits of the classic model of cooperation and its mechanisms for improving living conditions in less-developed countries were at issue³. Two basic elements of the model were particularly discussed: general application projects (based on the assumption that solutions that are good

for one country can work for most of them); and their state-centred nature (which kept the beneficiaries away from the areas of action, hampering the ownership processes) (Gana 1996). All the above jeopardised the efficacy and efficiency of resources and demonstrated the clear and increasing decoupling of cooperation and development policies in the target countries.

From the middle of the 1990s, there was an increasing need to reconsider the terms in which cooperation was conceived and managed, to the extent that the weaknesses of the neoliberal paradigm became evident, having disregarded the role played by social cohesion, institutional strengthening and good government in every development process.

The principles of a new development paradigm were outlined at the end of the 20th century, based on the consolidation of the concept of human development which was coined by the United Nations Development Programme (UNDP). As stated by Joan Prats (2000), “the paradigm of human development is based on a personalist conception: development must be assessed according to the basic capacities, opportunities and guarantees provided to the people so that they may lead the lifestyle they consider worth living and valuable”.

According to Ricardo Jordán (2003), human development should underpinned by at least four principles:

³ *The concern for the evaluation of cooperation appeared in this period and persists, from different perspectives, in the present. Perhaps the most critical of the first reservations voiced was that of Mosley (1987), who set out the “micro-macro” paradox of foreign aid, which stated that the effects of cooperation programmes are identifiable on a micro level while it is difficult to perceive them on a macro level. Throughout the 1990s this debate intensified based on research with perspectives that were different to Mosley’s. The text by Alonso (2003) deals with this debate.*

- The objective of the development process is to improve the quality of life –the eradication of poverty being especially important- and not just to raise the per capita income.

- A comprehensive set of policies must be applied, gathering both the traditional policies of a sectorial nature and the multiple policies which stem from the specific demands of each place and locality. The paradigm of human development has strong implications for the concept of local development itself, and it entails and demands an adequate institutional environment, greater social participation and the establishment of systemic, complex and multi-objective policies.

- The State plays a crucial role, though adapted to the needs of each locality and to the capacities and level of competence of existing institutions.

- Strategic projects on a national scale are favoured by the application of development policies with specific to the territory, based on participation processes.

Integration of these principles into a new model of development cooperation: “cooperation as an instrument for human development” in the interpretative scheme by Montúfar (2004), represents the search for alternative ways to allow for a better amalgamation integration of the programmes into the reality of the country by fostering local capacities, backing the country’s own initiatives, helping to build coalitions that can mobilise local support, using participatory approaches and striving to promote dialogue and debate with the different strategic actors in development. (Barbens 2004).

In terms of objectives, this new conception of cooperation is based on the common goals set by the international community in the Millennium Declaration and the Monterrey Consensus⁴.

Although both models coexist in academic debate and current practice, the paradigm of cooperation as an instrument for human develop-

ment involves a change of direction with respect to the classic model in at least three aspects: nature, instruments and actors.

With regard to nature, the new approach is distinguished by its “multilateralism”: cooperation taken as a collaboration strategy on equal terms - even between non-equals – between agents and active partners, rather than mere donors and recipients (classic model unilateralism), specifically centred on the development of the underdeveloped (Carpi et. al. 1997). There is an emphasis on a cooperation relationship that is based on the principle of partnership.

In turn, multilateralism recognises three principles: a) “mutual interest” (in the solution of global problems or those with global impacts; or the promotion and preservation of shared values/principles) and, in some cases, even of “mutual benefits” (economic cooperation); b) the complementary nature of actions with local development efforts; c) the active participation of those involved in cooperation as a means of assuring efficiency, efficacy and ownership.

Diverse interpretations of the nature of development cooperation obviously imply differences in the respective instruments. The multilateral model includes the transfer of resources (inherent to the classic perspective) as another instrument of cooperation – though not the main one. Technical assistance, the transfer of technology, the formation of human resources, the strengthening of institutional capacities and development, and the exchange of experiences, acquire a leading role in this new form of cooperation relationships.

⁴ The first case relates to the eight Millennium Development Goals adopted in 2000, which shall, in principle, help to achieve minimum economic, social (education, health and gender) and environmental development levels (or advances) in developing countries. The second case is about the four main goals addressed in the United Nations Summit on Financing for Development held in 2002, which are in keeping with the goals established in the Millennium Declaration.



Considering that the State (at all levels), the private sector and civil society are co-players in the development process within the new interpretative framework of development, cooperation must be capable of integrating the three actors. In the approach of cooperation as an instrument for human development this results, on the one hand, in a greater involvement by the beneficiaries, and, on the other hand, in the emergence of different actors besides the central government (sub-state governments⁵, the private sector, civil society) as promoters, actors and creators of initiatives.

Differences between both models have led many authors to make a conceptual distinction - even resorting to the etymology of both words - between "development assistance" (corresponding to the unidirectional classic model), and "development cooperation" (which refers to the most recent multidimensional model) (González-Badía Fraga and Ruiz Seisdedos 2003, Gómez Galán and Sanahuja 1999). Nevertheless, in practice both concepts are used as synonymous.⁶

Cooperation agencies and the DAC (Development Assistance Committee) usually use the concept "Official Development Assistance" (ODA) without distinguishing - within the initiatives classified under this title - between those based on the concept of cooperation as assistance and those established on the basis of multilateralism, partnership and mutual interest principles.

The initial definition of ODA within the framework of the DAC clearly reflected the principles and components of the classic conception of cooperation. As Joan Prats and Agustí Cerrillo i Martínez state (2000) "this concept was redefined over the years in the context of the DAC", however it still maintains many of its primary components.

The current definition conceives ODA as aid flows which official agencies -including state and local governments, or their executive agencies - devote to developing countries and multilateral

institutions. Such operations must be mainly addressed at promoting economic development and social welfare in developing countries and be of a concessional nature, containing a subsidised element of at least 25 per cent⁷.

Perhaps the greatest innovation has been the incorporation of sub-state governments as actors in cooperation.

Although the UNDP also uses the term ODA, in its most recent documents (UNDP 2005), it clearly distinguishes "assistance" under the classic model of cooperation from that aid that is understood as an instrument of human development.

Whether the concepts of "assistance" and "cooperation" be differentiated or used indiscriminately, it is certain that the current architecture of the development cooperation system has a complex design in which both models coexist: the classic - not completely out of use - and the more recent conception which, although it is still under construction and has not replaced the previous one, gives rise to some trends that seem to predominate. The decentralised cooperation approach emerges in this context and feeds particularly from the new tendencies.

⁵In the context of this work, sub-state governments refer to public administration entities other than the central government, for example, municipalities, regions, provinces, etc. Although the term "subnational entities" is widely used in literature (particularly in Latin American literature), we prefer to use the expression "sub-state entities" in order to differentiate between State and nation. To the effects of providing a comprehensible presentation, the synonyms for "sub-state entities" shall be the following: sub-state governments, territorial administrations, local governments, local public powers, non-central governments (frequently used in Anglo-Saxon literature), territorial authorities (customarily found in French literature) and local authorities.

⁶In both concepts, when the Northern actor has a public origin, the term "Official" is added: Official Development Assistance (ODA) and Official Development Cooperation.

⁷Moreover, in order for the assistance to the developing state to be considered as ODA, the state is to be included in List I of aid recipient countries drafted by the DAC itself. If it is not and is included in List II it shall be considered as "Official assistance". The lists of countries and beneficiaries are available on the website: <http://www.oecd.org/dac>.

3. Interpretations of decentralised cooperation: concepts, actors and instruments

Decentralised cooperation as an approach committed to the construction and strengthening of capacities and competences of territorial individuals emerges as a response to reflections on models of development and international cooperation.

The European Union (EU) was the first to apply and define the decentralised approach.

It introduced the concept to its programmes from its incorporation into the IV Lomé Convention agreements in 1989. In the case of Latin America, in the early 1990s certain horizontal economic development programmes aimed at specific actors were put into practice within the same decentralised approach: ALFA and ALBAN, in the field of education; AL-INVEST, in the area of business and technological cooperation; @LIS, in the field of information technologies and communication; ALURE, in the energy sector; and URB-AL in the sphere of cooperation between local communities.

In 1992, the European Commission (EC), in its document entitled “Decentralised Cooperation. Objectives and Methods”, defined decentralised cooperation as a “new approach in cooperation relationships that seek to establish direct relations with local bodies, to foster their own capacities and to carry out development initiatives with the direct participation of the population groups concerned, taking into account their interests and points of view concerning development”.

In 1998, the Council of the European Union adopted a Regulation on Decentralised Cooperation in which it reintroduced the aforementioned definition, reinforcing the idea of the actors’ involvement as a key element: it constitutes “a new approach to

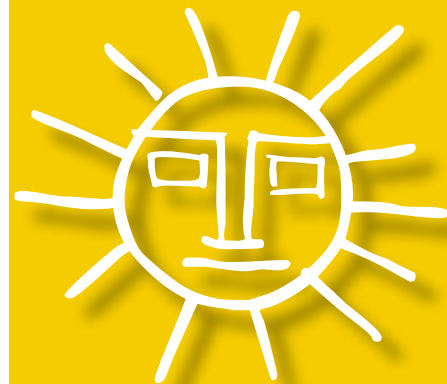
development cooperation which places the agents at the focal point of implementation and hence pursues the dual aims of gearing operations to needs and making them viable.

Both in this Regulation and in the IV Lomé Convention it is understood that the actors in decentralised cooperation - from the EU and from the developing countries- are all the agents and institutions, pertaining to official institutions as well as to civil society, that do not form part of the central government: local public powers; non-governmental organisations, groups of professionals and groups of local initiatives, cooperatives, unions, women’s or youth organisations, education and research institutions, churches, and all non-governmental associations that can contribute to development.

The European Commission reintroduces in its definition the three basic components of cooperation as an instrument of human development: plurality of actors; multilateralism (between agents and active partners); assessment of new instruments (technical assistance, formation of human resources, reinforcement of institutional capacities and development, exchange of experiences), which are necessary to “encourage the capacity to plan development initiatives and put them into practice”.

This definition has become an obligatory reference when it comes to literature on decentralised cooperation and its recent practices. However, we still find some ambiguities and inaccuracies regarding the use of this concept⁸. Even in the European context, cooperation has different meanings and scopes, and may

⁸A first aspect that usually generates ambiguities and inaccuracies relates to the sphere of actions that the concept implies. The term “decentralised cooperation” as a synonym for “decentralised development cooperation” (initiatives involving Northern and Southern actors) is commonly used. However, in some countries, the concept covers a greater scope. This is the case for France, where decentralised cooperation includes decentralised development cooperation, cross-border cooperation, interregional cooperation and European cooperation. This article applies the most restricted interpretation of the concept: limited to the area of development cooperation.



present diverse forms and modalities depending on the specific area.

For the purpose of analysing the issue and considering the risks inherent to oversimplification, it could be stated that there are three “European” interpretations of decentralised cooperation. Each of them emphasises a different aspect of the phenomenon and each contains, at the same time, different stances (theoretical and practical).

3.1. Interpretations of the actors in decentralised cooperation.

The analysis of the different interpretations of decentralised cooperation from the “actors’ perspective” requires, first of all, a clarification of their roles in the initiatives: leader, promoter, or active participant.

The lack of identification of the “role” from which different interpretations arise is one of the main factors leading to ambiguities and inaccuracies in the concept of decentralised cooperation.

In general, there seems to be some consensus in identifying all territorial-based actors (both governmental and non-governmental) as the active participants in decentralised cooperation. Different stances appear on defining which of them also has the role of leader or promoter of the actions.

3.1.1. Interpretations of who are the leaders of the initiatives

Here, the key point is to differentiate the actors (Northern and Southern) who play a leading role and conduct the execution of decentralised initiatives.

According to its broadest interpretation, decentralised cooperation is understood as a set of actions carried out by agents

and institutions, whether public or private, Northern or Southern, that do not form part of the central administration. (González-Badía Fraga and Ruiz Seisdedos 2003).

This interpretation matches that of the EU approach, as pointed out above. It is also the prevailing reading in Italy, where the concept of decentralised cooperation includes all the actors (public and private) of the territorial communities.

In its strictest sense, decentralised cooperation would be cooperation carried out by those levels of public administration other than those of the government and of the central institutions, with decision-making autonomy (González Parada and Corral 1998). This is the most disseminated point of view in some European countries like Spain and France (Ribero 1998), and is the one adopted by the DAC⁹.

Yet, such interpretation often confuses the category “actors as leaders of initiatives” with that of “actors as promoters or initiators of initiatives”. For example, in Spain, the Annual International Cooperation Plan understands decentralised cooperation as the cooperation carried out exclusively by town councils, provincial councils and autonomous governments, directly or indirectly; that is, with recourse to social entities for the execution of the projects (González-Badía Fraga and Ruiz Seisdedos 2003). Now, if in the direct modality it is considered that initiatives are carried out by civil society entities –usually through calls for funding applications from NGOs– then it could be stated that in Spain the leaders of decentralised cooperation

⁹*It should be noted that the DAC does not use the term decentralised cooperation, but “assistance provided by the local and regional governments” (Development Assistance Committee (2005).*

tion may be either the territorial administrations (in the direct modality), or the institutions of civil society (indirect modality)¹⁰. So it seems that the meaning of the phrase “cooperation carried out exclusively by town councils, provincial councils and autonomous governments” included in the Annual Plan, defines the promoters of initiatives but not the leaders or protagonists thereof.

In the case of France, the information available appears to indicate that, contrary to the case above, decentralised cooperation is understood as the cooperation in which the leaders, initiators and active participants are the territorial administrations (although some initiatives may have NGO collaboration).

From the point of view of the Southern partners, the strict interpretation of the actors as protagonists does not present common criteria either. With respect to France and Portugal, for example, those are exclusively the local public powers (Ribero 1998, French Ministry of Foreign Affairs 2001). According to Ianni (1995) this definition is deemed restricted for debate in Italy and is given the name horizontal cooperation, as it only refers to relations between counterpart bodies.

On the other hand, in Spain the practice of decentralised cooperation shows that Southern protagonists may be both local authorities and civil society institutions (whether cooperation be direct or indirect).

In view of these different interpretations of the actors as leaders –and without disregarding the validity of other perspectives- the expression “local and direct decentralised cooperation” is often used to refer to those initiatives directly conducted by Northern and Southern local authorities.

3.2. Interpretations of the promoters of initiatives¹¹

Regarding those promoting the initiatives (independently from those who have a leading role), we can once again identify a strict approach and a broad approach.

In the first case, decentralised cooperation originates from decentralised territorial entities, within the frame of their own programmes and budgets (González Parada and Corral 1998, Rodríguez Gil 1998).

This is the most widespread reading in some European countries –like Spain and France- though, as pointed out before, it is often mistaken for the agent-based approach.

Based on experience we can state that this approach, although based on the local public origin of the initiatives, recognises the possibility of support from other national or international entities.

The broad perspective does not deny this but expands on it: it also includes the initiatives of central governments or international bodies that foster decentralised cooperation through their own budgets and programmes, generally as part of co-financing plans. For example: the URB-AL Programme of the EC; the Finnish government’s *North-South Local Authority Co-operation Programme*; and the Italian government’s local level *Human Development Programmes* in collaboration with the United Nations.

¹⁰ This argument applies to most European subnational governments as almost all combine direct and indirect intervention modalities.

¹¹ A first distinction in this sense should be remembered: decentralised practices –as for all types of development cooperation- may have a public (“official”) or private (especially in among NGOs) origin. This gives rise to the classification into official decentralised cooperation and non-official decentralised cooperation.



3.3. Perspectives on the results expected

There is a second area for debate within the decentralised approach: the principle of mutual interest.

One of the readings understands decentralised cooperation according to the unilateral principles of the classic concept of international cooperation: as an expression and instrument of “aid” from donor to recipient.

Although this kind of practice (which, moreover, is very frequent in the cooperation actions of sub-state governments) cannot be disregarded, it does not match the basic spirit and principles of the decentralised approach and only adopts the principle of plurality of actors from the new concept of cooperation.

The predominant perspective, on the contrary, states that the decentralised approach is based on the new concepts of development cooperation. Therefore, the principles of multilateralism, partnership and mutual interest are elements characteristic of this perspective of decentralised cooperation. “The main goal of decentralised cooperation is to associate two counterparts in an action of clearly reciprocal interests”, underlined Rosa Ribero (1998).

This perspective even allows the inclusion of the principles of “mutual benefits” and “co-financing” (elements defining economic cooperation) in many decentralised programmes, though not in all. Such is the case of decentralised programmes in the EC for LA.

3.4. Perspectives on the scope of decentralisation

If we understand decentralised cooperation as a new way of cooperation tending to “place the agents at the focal point of implementation and hence pursues the dual aims of

gearing operations to needs and making them viable”, then, its definition not only refers to the kind of actors taking part or promoting the initiatives or to the results expected, but the debate also deals with the way in which cooperation actions are put into practice.

There are also many interpretations with regard to this issue: from the actors’ implication only as a result of financial decentralisation, including participation in execution and joint decision-making, to intervention throughout the whole cycle of the project.

Different perspectives and their interpretations interrelate, resulting in quite a varied web of decentralised cooperation initiatives.

In Latin America, inaccuracies and ambiguities regarding the definition and use of the concept of decentralised cooperation are even greater. The recent experiences of local governments in the region in the international sphere, the lack of systematic and complete records of initiatives, the absence of regulatory frameworks for decentralised cooperation and the scarce studies and research carried out, are all elements that allow us to understand the lack of precision of the term in Latin America.

Though the identification and clarification of the perspective of regional local authorities on the concept is rather complex, by way of an initial hypothesis – to be explored in further studies and analysis-, it could be stated that:

- The three European perspectives are also found in Latin America, where the diverse approaches do not only vary by country, but in many cases also vary within countries.
- Regarding the interpretation of protagonists, the strict approach seems to prevail.
- As in France, some Latin American sub-

state entities understand decentralised cooperation as every initiative developed together with another local community (Northern or Southern).

4. A proposal for defining local decentralised cooperation

The diversity of practices, regulatory frameworks and interpretations of decentralised cooperation in general, and in the sphere of European-Latin American relations in particular, make it difficult to elaborate a single concept that is applicable to all cases.

Hence, in this piece of work the intention is only to present an operational concept that may be useful in leading to reflection in the context of the EU-LA OCD activities. This concept is expected to be reformulated based on future debates among the diverse actors in decentralised cooperation, and on the casuistry provided by the Observatory's On-Line Resource Centre.

The first task is to demarcate the conceptual framework according to which the operational definition will be elaborated. To this effect, the categories that define the field of work are the following:

- 1- *development* decentralised cooperation
- 2- *official* decentralised cooperation
- 3- *local and direct* decentralised cooperation

Within the context defined by these three categories, and without disregarding the validity of other modalities and dimensions of the concept, we propose the following definition for the sphere of relations between European and Latin America:

Local decentralised cooperation is the grouping of official development cooperation initiatives which, under the leadership of local authorities, seeks to foster the capacities of territorial actors and to encourage more participatory development.

Without denying the existence of a type of practices that maintain some elements of the approach of cooperation as “assistance”, local decentralised cooperation is mainly based on the principles of multilateralism, mutual interest and partnership; and it increasingly tends towards those initiatives that provide added value to the activities, based on the specific nature of the areas of competence and experience of local governments.

5. Benefits and potential of local decentralised cooperation

Decentralised cooperation based on partnership relationships has benefits that are both instrumental and related to its specific characteristics and applicability.

In the first case, these benefits lie in the nature of its actors (close to the realities in which they intend to act), in the place given to them (throughout the whole or the most part of the project process), and in the multidirectionality of the relationships (between “partners”). All these things are factors that promote a better adaptability of initiatives to the relevant needs and an increase in local ownership and the sustainability of actions. Consequently, the decentralised approach tends to have a positive effect on the efficacy and efficiency of actions.

On the one hand, it is clear that the multiplication of agents and actions gives a more democratic character to decentralised cooperation compared to cooperation between states. However, from another perspective, it could be said that dispersion has a cost in terms of management, control, monitoring, efficacy and impact, which must be taken care of.

On the other hand, networking -a way of acting inherent to the management of decentralised cooperation, although it does not substitute traditional formats like projects- has



proved to be relevant and useful, particularly when projects involve the collective action of various local actors. In any case there are some opinions that are critical of the use of this working method when dealing with broader spheres, with different needs and socio-economic realities¹².

In terms of benefits related to specificity and relevance, it seems that decentralised cooperation responds to the demands of the human development model on which it is based, as it constitutes an instrument that promotes participation and dialogue with and among the different strategic actors in local development and in the development of local structures, capabilities and initiatives.

The decentralised approach also generates positive externalities.

Firstly, it is not regarded as a substitute for cooperation between states, but on the contrary, as complementary to it. Based on the plurality of agents, on its leading role in initiatives and on closer relationships between Northern and Southern actors, it contributes to enriching interstate cooperation with the soundness of its policies. Though this condition underlies the nature of the approach, in practice its development depends on the way in which the complex relationship between the external action of sub-state entities and the foreign policy of states may be articulated.

Secondly, the need to meet management, efficacy and impact costs resulting from the multiplication of actors and initiatives may turn decentralised cooperation into a driving force for higher levels of complementarity, coherence and coordination of decentralised actions among themselves and between these actions and those generated in bilateral and multilateral cooperation – including those of a traditional nature.

Thirdly, in reaffirming the local through its internationalisation, it consolidates the ac-

tion of territorial actors in the national scenario, and also strengthens their capacity to negotiate with central powers to different degrees.

Direct cooperation between Northern and Southern local authorities adds other benefits related to specificity to these general characteristics.

This is about initiatives that seek to take advantage of the potential for cooperation of territorial administrations: their experience and knowledge within the areas of their authority as local governments that, therefore, add value to the activities, based on their own specific nature. In this framework, local governments turn into agents with higher significance than they would achieve by their economic contributions (significant if taken as a whole, and irrelevant, in most cases, when considered individually).

In addition, the intention is to generate broader and more lasting impacts (than the mere transfer of resources) on the Latin American territorial communities that participate in the initiatives, through actions focusing on the institutional strengthening of local powers.

The potential of local and direct decentralised cooperation come particularly from four areas of work:

1. Strengthening local structures of government and of local power (including decentralisation processes and local governance)
2. Expanding spaces for participation and

¹²*The project of European Union-Latin America Local Partnering, coordinated by the Municipality of Valparaíso and Barcelona Provincial Council – and cofinanced by the European Union – carried out a complete analysis of the advantages of the “way of acting” typical of decentralised cooperation, available in the Basic Document: “Balance and Perspectives of Local EU-LA Decentralised Cooperation”, Valparaíso 2004, (<http://www.conferenciaurbal.cl>).*

- commitment for different actors in the territorial base of civil society.
3. Reinforcing and promoting different local development policies implemented -or required to be implemented- by territorial administrations.
 4. Supporting the creation and development of horizontal structures of collaboration and mutual exchange of experiences between European and Latin American local entities through networking. Platforms designed to facilitate this exchange are increasingly frequent, for example: the URBAL Programme, The Educating Cities Network or the Ibero-American Centre for Urban Strategic Development (CIDEU).

6. Driving dynamics and interpretative theoretical approaches

The emergence of decentralised cooperation can be interpreted in the light of the development of a series of dynamics and new theoretical perspectives which, while generating reformulations of the classic system of international cooperation, foster the role of sub-state governments in such a system. In this regard, at the beginning of this article we analysed the relationship between the development model and the concept of international cooperation.

Now we are interested in exploring a dynamic, the international action of non central governments, that acts as a driving and facilitating force for local decentralised cooperation. In view of the theoretical approaches and cases studies, it is expected that its interpretation will bring new guidelines to the process of constructing a more accurate conceptual framework for cooperation relationships between territorial communities.

Any discussion about this dynamic must inevitably be placed in the broadest scenario of development of two dynamics: the changing structures and processes of political, social and economic life that come together in the concept of globalisation (Hocking 2004), and the transformations that take place in the area of the nation-state and of its bonds with the territorial units that comprise it.

The phenomenon of globalisation underlined the importance of global interconnections and presented new relations between international and domestic processes. Within the framework of this reorganisation, the local-global relationship is constituted on the basis of a tension: “de-territorialisation occurs in parallel with a reinvention of the territory as a functional requirement and as a political principle within the new global order” (Keating 2004).

On the one hand, globalising forces generate a progressive weakening of the degree of territoriality of economic activities. On the other, development of the global economic system requires an organisational and social space capable of providing a group of specialised activities and services (Sassen 2004), and, at the same time, it acknowledges the importance of the territory as a factor of competitiveness.

This tension is also evidenced in other dimensions in which globalisation is developed. While the new means of communication erode the nexus between culture and territory, the impacts of social problems are globalised, and even politics can be detached from territory (Keating 2004). Likewise, local cultures are reviving, new forms of nationalism and new regionalisms are appearing, and the territory is becoming an indispensable platform for the resolution of social problems.

As a result of these tensions, diverse levels of articulation between global and local



processes are verified (Jordan 2003):

- Levels and forms of links between territories and the global economy-community: economic, technological, cultural, financial, political and communication.

- Levels and types of urban-territorial transformations resulting from diverse types of global-local articulations.

- Urban-territorial policies oriented to the better use of opportunities and to the reduction of the vulnerability that globalisation entails.

The combination of these levels of articulation gives rise to various possible typologies of globalised territories.

The progress of regional integration dynamics in turn makes the demarcation of borders for the action of local governments more complex and generates other fields of articulation between the local sphere and its immediate environment of regional integration. Many characteristics inherent to those dynamics affect the issues/problems which are the responsibility of sub-state administrations, or have a particular bearing on specific territories.

Closely connected to such changes, at the internal level of states we have seen in recent years how the phenomenon of devolution or decentralisation has developed (at different levels and rates and with different results), in the context of a global reformulation of the functions of the nation-state and its constituent units. As stated by Joan Prats (2000) “national governments can no longer undertake the whole responsibility of national development; development challenges also occur at the local level and demand the mobilisation of local energies through the construction of local democratic public spaces, which end up creating identities and communities that need to be articulated within the nation-state and at global level”.

Everything seems to indicate that there is a more or less generalised new tendency that places the territory as the new actor in development. Consequently, local governments are forced to generate their own strategies for the renewal of the economic base, the modernisation of infrastructures, enhancement of the quality of life, social integration and governance.

The need to operate within internationalised, globalised and regionalised contexts and to be at the same time promoters of their own development has increased the workload of territorial administrations, and created the urgent need to transform the classic model of local management. The challenge lies in developing a new type of leadership, not only through the incorporation of functions and management modalities but also by extending the field of action to an international scenario. Development cooperation is one of the fields where international activities of local authorities are deployed.

The growing involvement of sub-state governments in the world scenario has led to the emergence of interpretative theoretical concepts and approaches of the phenomenon.

A new term has been developed in order to deal with this new dynamic: “paradiplomacy”. This can be defined as “the involvement of sub-state governments in international relations through the establishment of formal and informal contacts, permanent or temporary (ad hoc), with public or private foreign entities with the intention of promoting socio-economic or political results, as well as any other external dimension of their own constitutional competence.” (Cornago Prieto 2004)

The term “paradiplomacy” emerged at the beginning of the 1980s (Derian 1987, Duchacek 1986, Soldatos 1990) in studies concerning the international activities of federal states (like Canada, the United States

and Australia), and imbued with the renewed theory of federalism.

Although it is a concept that is widespread in the literature of international relations, it is not yet accepted.

Aguirre Zabala (2000) questions both the evolution of the term and its appropriateness for the phenomenon: international action of non-central governments “could be qualified as post-diplomatic, as it is a process that leads us, in all cases, beyond the modern nation-state, that is to say, beyond diplomacy”.

Likewise, Hocking (2004) considers that paradiplomacy (and related or similar concepts that have arisen)¹³, “insofar as it takes as a reference the foreign policy of the nation-state, it does not focus on the new reality as a whole, giving a timid imitation of the real diplomacy”. The author prefers to denominate the phenomenon “localisation of international relations”.

Aside from these discussions, the truth is that there are experiences of “paradiplomacy” on all the continents, although it is a trend with uneven intensity, regulatory frameworks and results.

Though it has been studied with particular emphasis on the experiences of North America, (Balthazar 2000, Kincaid 2000), Australia (Ravenhill 2000) and the European countries (Aldecoa 2000, García Segura 2004), a significant number of research works assert that paradiplomacy is not just the domain of these regions (Chen and Wang 1997, Lacerda Prazeres 2004).

In a recent piece of work, Cornago Prieto (2004) illustrates that paradiplomacy “is close to turning into a generalised practice within the post-soviet context”; it has developed in “almost all Chinese provinces” since the 1990s; it adopts the shape of the so-called “development triangles” (informal coopera-

tion schema) between the sub-state governments of Southeast Asia; and has “increased and spread throughout the whole Latin American continent”.

The different paradiplomatic practices deal with a combination of several motivations (economic, political, cultural, connected to solidarity and to international safety issues), although frequently with the predominance of some of them.

One of the comments on paradiplomacy most raised by literature connects it to the immediate environments of regional integration. It works on the assumption that territorial administrations redefine (or consider redefined) their international and even their national roles, in response to the structure of opportunities and to the matrix of impacts arising from this environment. They are thus confronted with the challenge of developing strategies of active participation in the construction of the integration space. Regional integration processes constitute an important way of access –and in some cases the first one– to paradiplomacy.

The European case has the largest number of experiences in this regard, and has been the subject of several research studies (Blanes 2004). Most of these underline that the European Union is the scenario in which sub-state entities develop the majority of their external action. As stated by Agustí Fernández de Losada (2004), European integration has favoured paradiplomacy in two senses: it has created a favourable framework for exchanges and interregional cooperation, and it has opened up possibilities for sub-state participation in the process of European integration (particularly with the Maastricht Treaty which created the Committee of the Regions).

Another of the experiences reviewed is

¹³Like *protodiplomacy* and *microdiplomacy*.



the North American Free Trade Agreement (NAFTA) (Scott 1999). Contrary to the European case, NAFTA does not provide a political-institutional context favourable to the participation of local powers. However, the effects of North American integration seem to have contributed to the promotion of sub-state mobilisation in the United States, Mexico and Canada, particularly through cross-border cooperation.

A similar situation can be seen in Southeast Asia. Although the Asia Pacific Economic Cooperation (APEC) integration process does not provide formal or institutional support to diplomatic activities, the effects of economic liberalisation on the territories have fostered sub-state cooperation initiatives, whether from associations or cross-border experiences.

Perhaps within MERCOSUR the relevance of the “immediate environment of regional integration” is clearer with the increase –and in many cases the beginning– of the international activity of sub-state entities (Romero 2004).

Whether acting in the immediate integration environment or in the global space, the truth is that the dynamic generated by the international activity of non-central governments leads to a reflection on their limits and possibilities. Legal restrictions are the most commonly invoked, and they refer both to the fact that sub-state governments are not recognised as full members of international law (although they act within it), and to constitutional competences as regards international relations established for the different spheres of government.

However, paradiplomatic actions appear even in the least permissive legal systems. So, if the insufficiency (or total absence in many cases) of international competences of sub-state entities has not been a sufficient

obstacle to prevent the practice of paradiplomacy in some cases, with the evident or concealed support of the central government (Vigevani and Wanderlei 2004), what other factors can limit or stimulate this action?

In parallel with those legal-institutional factors there are others of a political nature that generate a broad variety of situations of both conflict and of cooperation. Often, as expressed by Mariano and Barreto (2004), “the limit of international action at a sub-state level is not imposed only by the constitutional dimension but mainly by the political sphere”.

Even subject to these restrictions, the international activity of local governments –as well as of non-governmental actors– constitutes an outline for new scenarios in the emerging international space (Vigevani and Wanderlei 2004).

The higher complexity of international relations in view of the emergence of new and more plural actors can no longer be construed through the state-centric paradigms of classic studies on international relations. From these perspectives, international activities of sub-state entities “are, at the very best, irrelevant for the real world of international politics; or, at the very worst, a dangerous aberration”.

On the contrary, there are two other more recent approaches for which the international system is seen as a mixture of actors and international policies resulting from complex internal forces. From the interdependence approaches of Keohane and Nye (1988) and from the constructivism developed in the 1990s (Checkel 1998), the new theoretical perspectives do not deny the centrality of the nation-state as an actor in international relations, but they question its capacity as a single actor with a single interest. They recognise the erosion of borders between domestic and foreign politics, reflect the changes

in the classic distinction between “high” and “low” politics and allow a better comprehension of the complex web of relationships arising from the interaction of new actors in the international arena (local and regional governments, but also civil society movements and private sector institutions). These theoretical perspectives help to interpret the emergence of decentralised cooperation, as it constitutes one of the areas in which the international activity of local powers is deployed.

7. Some reflections on the perspectives of EU-LA local decentralised cooperation

Although it is a new practice, and, in many cases, has a weak legal framework, the cooperation of European territorial administrations is progressively gaining relevance, as evidenced by a recent report from the DAC (Development Assistance Committee 2005). On the other hand, in LA there is a trend (more decisive in large and medium-sized local communities but also in some small ones) towards the creation of areas for international cooperation within local government structures. The broad participation of Latin American cities and regions in the URB-AL Programme also shows the progress of local decentralised cooperation in the region.

This scenario is particularly translated into the field of cooperation relationships between both regions, where the experience accumulated in recent years shows a very dynamic tendency, though with a geographical concentration of European actors and with diverse modalities and results.

Until the early 1990s, cooperation between European and Latin American territorial administrations was based on “twin-

ning”. In practice, this basically resulted in political solidarity actions, cultural exchanges and, in some cases, the transfer of economic or material resources.

After the 0.7% campaign¹⁴ many European local governments started assigning resources to development cooperation –aside from the classic twinning- upon which two modalities of intervention were consolidated: indirect cooperation (through subsidies to NGOs for the execution of development projects) and direct cooperation.

At the beginning of the 21st century, twinning still functions in its most classic form: initiatives developed on the basis of an assistance cooperation (transfer of resources, whether direct or indirect), and there are direct cooperation relations between local authorities in both regions based on the principles of multilateralism and partnership.

It is within this last area that decentralised cooperation has become more relevant, due to the added value of its initiatives –which go beyond the mere transfer of resources-, and to its adaptability to the new concepts of development cooperation. Therefore, it is highly probable that this type of practice will progressively guide Euro-Latin American decentralised cooperation into the future.

However, direct decentralised cooperation is not free from limitations and difficulties¹⁵ which need to be overcome in order to take advantage of all the potential and virtues of such a modality of cooperation,

¹⁴Campaign sponsored by the United Nations at the end of the eighties and in the early 1990s, directed at having public administrations of developed countries assign 0.7% of their budgets to developing countries.

¹⁵See Godínez Zúñiga and Romero (2004) for an analysis of limitations and difficulties.



as mentioned in section 5 of this study.

From the perspective of the operationalisation of initiatives, perhaps the most recurrent limitation within the diverse areas of debate and reflection is the deficit of management capacity among the decentralised cooperation actors. Although most authors (Carpi et al. 1997, González Parada and Corral 1998) maintain that the issue lies in the lack of specialised personnel, there are other important limitations related to the financial, technological and institutional resources necessary to carry out the initiatives.

These deficits are more evident in some territorial communities than in others, and are not exclusively focused on the Southern actors.

Another group of operational limitations relates to the transfer of financial responsibilities, which is a characteristic of the decentralised cooperation approach. This transfer is not always accompanied by the adaptation of the “way of acting” of local actors to whom responsibility is given to the realities and possibilities. In many cases the different accounting and budgetary surveillance procedures and practices generate bureaucratic obstacles that hinder the efficacy, efficiency and agility of such management.

Possible distorting effects of the co-financing principle may constitute an obstacle for the demonstration of the democratic nature of decentralised cooperation. Indeed, the capacity of local authorities for more active participation is usually connected to the availability of their own resources necessary to contribute as a counterpart in the projects.

On the other hand, the decentralised approach is faced with some limitations re-

garding data collection and interpretation as well as the monitoring and assessment of initiatives. This hinders the access to information for all the relevant actors and the analysis of initiatives, as well as the multiplication of its results and benefits. The EU-LA Observatory for Local Decentralised Cooperation was created for the purpose of progressing towards a solution to these difficulties, among other reasons.

From a more strategic and long-term perspective, the display of the potential of cooperation between European and Latin American sub-state governments is to a certain extent subject to two factors.

Firstly, to the evolution of the tendency of the greater involvement of territorial entities in the international arena. It is clear that decentralised cooperation will gain ground in countries with a strong political commitment towards decentralisation and with a rising civil society. Undoubtedly, an uneven evolution in this respect will lead to a heterogeneous display of potential.

Secondly, it will depend on the capacity of territorial communities to generate endogenous development processes, and on their conviction concerning the character and relevance of the support that decentralised cooperation may provide to such processes. Here, the future scenario of decentralised cooperation may also be marked by heterogeneity.

The whole set of diverse limitations and restrictions should be dealt with in order to achieve a full display of the strengths and potential of decentralised cooperation between the local governments of the EU and LA. This challenge is particularly important for those practices based on partnership, as they are the most likely to achieve the results and impacts expected in the field of the three thematic priorities of Europe-

an-Latin American cooperation: promotion of social cohesion, governance and regional integration.

Likewise, this kind of practice constitutes a mechanism that may, on the one hand, generate privileged spaces of relations

(economic, political and cultural) between local authorities in both regions and, on the other, contribute to the construction of a strategy of closer relations between the EU and LA from levels that are not always available to intergovernmental cooperation.

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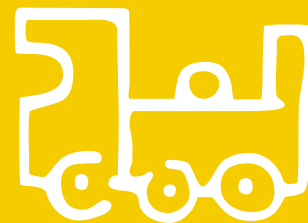
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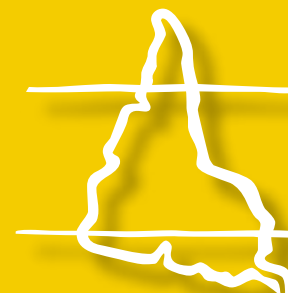
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Analysis of Local Decentralised Cooperation



Towards a map of information on public decentralised cooperation between the European Union and Latin America.*

KEY WORDS

*Decentralised cooperation |
Institutions |
Sources of information |
Data compilation systems |*

The objective of this article is to contribute to the elaboration of a general map of the status of information on public decentralised cooperation, based on the analysis of data available in those institutions which are already compiling information as regards this phenomenon. Specifically, part of this article is devoted to describing the characteristics of the data compilation systems of those institutions like central governments, associations of municipalities and coordinators of networks of municipalities. Some existing limitations on the available information are identified and explained, such as the lack of information on some countries (especially in Latin America) or limitations regarding the information covered by those countries with data compilation systems. Lastly, there are some annexes concerning the institutions in charge of data compilation by country. In addition, in the case of the European Union, an outline is also given of decentralised cooperation activity by countries, stressing those involving Latin America.

** This article was written with the collaboration of Arnau Gutiérrez Camps based on the research carried out by Niki Johnson and Lucía Selios in South America and by Daniel Matul in Central America and Mexico.*

*Santiago Sarraute**

1. Introduction

Decentralised cooperation is a relatively new phenomenon in the area of international development cooperation, which is particularly dynamic in the framework of relationships between the European Union (EU) and Latin America (LA), where a lot of decentralised cooperation initiatives have appeared. Such initiatives have been directly promoted by local and regional authorities on both continents, or fostered by European central governments or by the European Commission itself.

This article presents the first data regarding the ongoing research undertaken by the Observatory for EU-LA Decentralised Cooperation in order to gain a general insight into decentralised cooperation between the two regions. In view of the high level of dispersion of activities and the diversity of actors potentially involved in the phenomenon, the Observatory has suggested starting a data compilation and systematisation process starting from those institutions who already collect information on decentralised cooperation activities. Such institutions will hereinafter be referred to as “aggregate information sources”.

This article is intended to contribute to the drafting of a general map on the state of decentralised cooperation information between both continents, based on the analysis of data already available from the identified aggregate information sources. As it is an ongoing investigation that will last for the lifetime of the Observatory, the intention is to present here only the information accumulated so far and to offer some provisional conclusions, which are the result of this initial approach to the classification of data on decentralised cooperation between the EU and LA.

It should be underlined that, in this case, the Observatory has sought the existing information on public decentralised cooperation, that is, on the set of activities performed and furthered by territorial administrations¹ and which are included in the context of development cooperation, but with a special interest in interventions leading to the establishment of direct relationships between local and regional administrations from both regions (the EU and Latin America).

Indeed, the Observatory is not restricted to a perspective of public decentralised cooperation as the generator of a flow of resources, but also regards it as a phenomenon that transforms international relationships by means of the appearance of territorial public agents in the international scenario and as an element that modernises international cooperation by the emergence of new practices and the creation of new models.

Therefore, it is essential to identify the agents and type of relationships established between them in order to undertake a thorough analysis of public decentralised cooperation.

2. Methodology

The drafting of the map of EU-LA decentralised cooperation led the Observatory to focus on detecting and analysing the sources that compile information in each country of both regions. This research has been centred on state-level institutions, but it also includes plenty of information from international organisations, particularly from the Organisation for Economic Cooperation and Development (OECD) and from the Council of European Municipalities and Regions (CCRE-CEMR), as well as from regional administrations.

¹ The term “territorial administrations” is used to denominate the group of regional and local public administrations.



One of the main difficulties encountered is that the aggregate information sources are not based on the same criteria of delimiting and arranging the data collected. Specifically, it is sometimes quite difficult to identify, within the set of decentralised cooperation activities, which are the ones that directly involve public administrations - local and regional - leading to an effective institutional relationship between them. For example, in Europe these activities are easily mixed up with subsidy programmes to development non-governmental organisations (DNGOs), with financing to multilateral bodies or with awareness-raising activities carried out in the European country. In the case of Latin America, this mixing up involves bilateral assistance actions between national governments and those actions coming from international institutions.

With regard to the subject matter of this article, the different state of the information in the EU and in Latin America has made the Observatory choose a slightly different methodology for working in each continent.

2.1. Description of the research within the EU

In the search for information in the EU, research has been restricted to its 15 member countries prior to the last enlargement. Obviously, subsequent research steps shall include the 10 new countries (special attention to be paid to those in which the existence of decentralised cooperation initiatives has already been detected, like the Czech Republic and Slovakia).

Methodology applied in this research has combined searches on the Internet

pages of institutions active in decentralised cooperation, direct communication with key institutions of each country and the reading of documents describing the decentralised cooperation status.

In terms of central governments, the information available about their data collection activity has been analysed. The main source has been the OECD publication: *Aid extended by local and state governments* (OECD 2005). In addition, people in charge of collecting information in the central governments of France, Italy and Spain were specifically contacted, as these countries appear to be the most active with regard to decentralised cooperation activities with Latin America.

Regarding the associations of municipalities, apart from reading their web pages and publications, their respective international cooperation authorities have systematically been contacted, as they usually know the network of actors involved in decentralised cooperation in their respective countries. Furthermore, research has also been based on the CEMR publication *North/South Cooperation: the Action of Europe's Local Government Associations* (CEMR 2005).

Lastly, in some European countries like France, Spain, Italy and Belgium, special emphasis has been placed on the search for aggregate information sources in the regional sphere.

The result of the research in EU countries appears in Annex 1: "Records of European information sources" which also intends to highlight the relevance of the decentralised cooperation phenomenon in each country, especially focused on the relationships with Latin America.

2.2. Description of the research in Latin America

Besides concentrating on central governments and associations of municipalities, the search in Latin America has also involved Embassies and the technical offices of cooperation agencies of the European Union countries.

The methodology applied had two stages. First, there was an analysis of the information gathered by the identified sources, but the low number of institutions who centralise information and the scarce information detected by this system led to an institution by institution search in each country. The attempt to detect all information available may have failed, but it is considered that the main information sources have been identified (the following research stage shall be focused on personal contacts with authorities of the institutions devoted to the analysis of decentralised cooperation).

The outcomes of the research are presented in Annexes 2 and 3. Annex 2 includes the outcomes for South America and Annex 3, for Central America and Mexico.

3. Analysis of aggregate information sources

Research on sources shows the existence of a large number of institutions interested in the phenomenon of public decentralised cooperation. However, in the EU and LA it often emerges that the institutions who put more emphasis on systematising information regarding decentralised cooperation are central governments. In addition, in Europe, efforts made by associations of municipalities are significant. To a lesser extent, com-

missions of EU central governments in Latin America and institutions in charge of coordinating networks of territorial administrations in Europe also try to centralise information. Below are some of the main comments on the processes of searching for decentralised cooperation information in both regions.

3.1. Central governments

Undoubtedly, central governments of both regions are key institutions in the processes of collecting information on the cooperation activities of territorial administrations of their country. The relevance of their participation lies in the fact that they possess the legal and financial mechanisms to perform such a complex task as the collection of information about the cooperation activities of territorial administrations.

3.1.1. Information collection targets

The main targets leading central governments to devote efforts to compiling information are: to calculate the Official Development Assistance (ODA) extended by the public administrations of the country and to get acquainted with the territorial administrations' external activity.

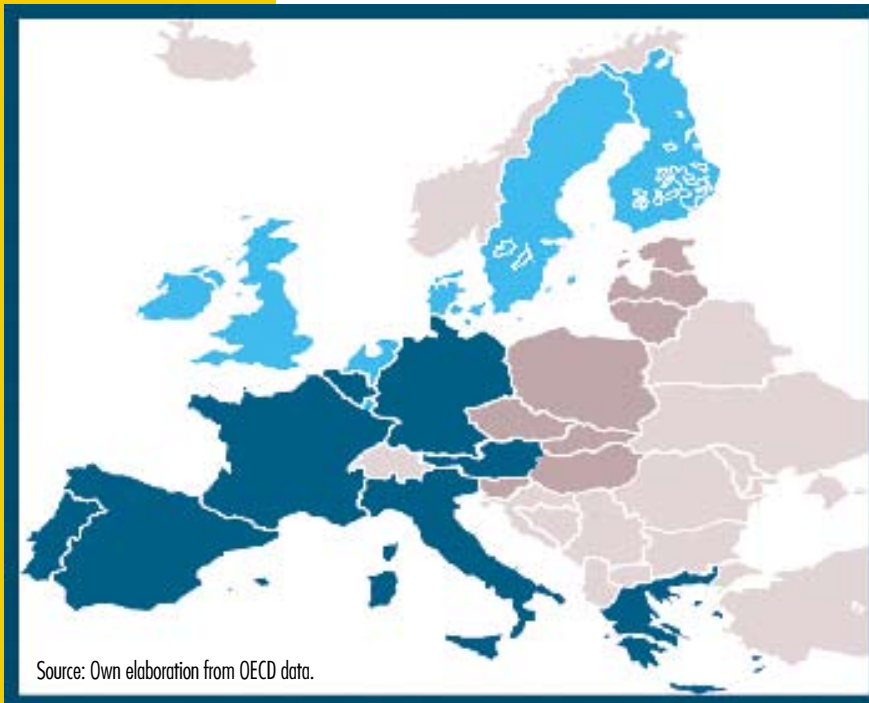
a) Calculating Official Development Assistance

In general, countries extending ODA are the most interested in calculating it. In Europe, it is the main reason that drives most central governments to systematise information on cooperation activities in which their territorial administrations are involved. As shown on the following map, eight of the fifteen EU countries reviewed collect information about ODA of their territorial administrations. This target also seems to guide countries that fail to collect information about



their territorial administrations' cooperation, as they often justify not systematising information based on the small amount of funds allocated to ODA.

MAP 1: European countries that collect information on the cooperation activities of their territorial administrations



Members of the EU that do not collect information: Denmark, Finland, Ireland, Luxembourg, the Netherlands, Sweden and the United Kingdom.

Members of the EU not analysed: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia

Members of the EU not analysed: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia

Central governments used the following two methods (OECD) in order to calculate territorial ODA:

- The first method is to obtain ODA by adding the annual economic disbursements allocated by each territorial administration to the projects its finances. The inconvenience of applying this method, in the case of ODA to decentralised cooperation, is that not all activities have a budget allocated, as in some cases their cost is assigned to staff or operation entries of the relevant institution. This method is used by the central governments of Austria, Germany, Greece and Spain.

- The second method consists of adding the total contributions of each territorial government devoted to the financing of development cooperation actions, and then allocating a percentage according to the type of such actions or the country to which such funds are assigned. This method is used by the central governments of Belgium and France. This method does not help to identify specific actions.

In central governments who obtain the amount of ODA by adding the annual economic disbursements allocated by each territorial administration to the projects it finances, such projects usually have the following characteristic fields of information: name of the financing territorial administration, name of the executing European organisation, thematic sector using the categories of the Development Assistance Committee (DAC) of the OECD, transversal lines of action (basically gender, environment and the enhancement of public capacities), financing data, type of assistance (technical cooperation, equipment project or sectorial programme), geographical information and performance summaries.

b) Getting acquainted with the international relations activities of territorial administrations

Some central governments of the EU and Latin America have decided to support

and coordinate the international cooperation activities of their country's territorial administrations. One of the instruments for supporting these tasks is the identification of actors involved in decentralised cooperation activities. In this respect, information regarding those who participate in decentralised cooperation activities and where these activities take place is customarily collected.

In terms of the European Union, only France, Italy and Austria orient their compilation towards this target. In fact, the first two have established a body dependent on their Ministry of Foreign Affairs exclusively devoted to decentralised cooperation. On the other hand, other European countries seem to have delegated their support and coordination tasks to other bodies, mainly to associations of municipalities. For example, this would be the case of the Netherlands, Belgium, Sweden and the United Kingdom.

In Latin America, the information detected indicates that Argentina, Mexico and perhaps Nicaragua follow similar lines, while in countries like El Salvador, Colombia, Brazil and Chile, information collection is not oriented to identifying the international relations activities of territorial administrations.

3.1.2. Strategies for obtaining information

The main instrument for the collection of information by European central governments is usually a questionnaire sent once a year to the territorial administrations. The difference between countries is based on the degree of coverage of a particular territory, which depends on the administrative level of such governments (regional or local). In the eight European governments who systematise information on the regions, the collection varies with regard to local levels. Indeed, only Belgium and Italy send the questionnaire to all provinces and municipalities (although the level of response is low, particularly in Italy).

Other countries focus on those municipalities with a higher possibility of developing relevant activity in terms of development cooperation. For example, they concentrate on municipalities which have over a certain number of inhabitants (10,000 in France or 5,000 in Spain), in municipalities which are the capital of a region or province or on particularly active municipalities.

3.2. External delegations

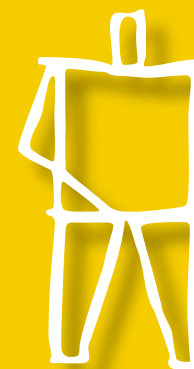
Some European embassies in Latin America disseminate partnership relationships between the territorial administrations of their countries and counterparts of the countries in which they are located. The number is low if compared with the number that provides information about bilateral assistance (for example, while 65% of the websites of the European Union embassies in South America provide information about bilateral assistance, less than 10% of the embassies provide information on decentralised cooperation).

France is the country whose embassies seem to better disseminate decentralised cooperation activities; it provides information on Bolivia, Peru and Nicaragua. This may be due to the fact that French embassies exchange information with the National Commission for Decentralised Cooperation of the Ministry of Foreign Affairs of their country, so that they keep each other updated with the decentralised cooperation relationships detected.

With regard to the European agencies of external cooperation, only the Spanish Agency for International Cooperation offers, in certain cases, some information on decentralised cooperation activities

3.3. Associations of municipalities

Associations of municipalities are key organisations in terms of information collection on decentralised cooperation. The relevance of



their role lies basically in their privileged capacity to communicate with the institutions they represent².

The status of the collection of information in local administrations is quite different in the EU and Latin America. In the EU, most associations of municipalities of the 15 countries studied compile information on decentralised cooperation activities. With regard to their Latin American counterparts, the information reveals that, although some of them are devoted to supporting the international cooperation activity of their members, the decentralised cooperation activities are not systematically collected. Therefore, this section solely describes the activity of the European associations of municipalities.

3.3.1 Objectives of information collection

The main target leading associations of municipalities to devote efforts to information collection is usually the identification of cooperation activities as part of local international relationships. This information may be useful for them in boosting their task of support and coordination for international cooperation of the territorial administrations represented by them, although sometimes it is useful to publicise their members' activities.

In fact, most of them provide advisory activities on international relations to their municipalities, and some manage programmes of subsidies to decentralised cooperation activities financed by their country's central government. Specifically, associations of municipalities in Belgium, the Netherlands and Sweden manage the support programmes for decentralised cooperation of their members with their LA counterparts.

Usually, the information collected is connected to partnership relationships between municipalities of their country with foreign counterparts. Customarily, the for-

mat presented is a list containing, for each relationship, the names of the municipalities involved, the country of the foreign municipality and probably the date the partnership started. Twinning is the partnering relationships most often recorded. Indeed, some associations of municipalities seem to include only this type of relationship in their listings (this is the case for Austria, Spain, Greece, Portugal and the United Kingdom). Other associations add, apart from twinning, other relationships devoted to performing specific joint development cooperation activities (like Germany, the Netherlands and Belgium).

Apart from identifying the institutions involved in partnerships, some associations of municipalities keep information about the characteristics of the activities developed in the context of each relationship. Again, this is the case of Germany, the Netherlands and Belgium.

The information displayed generally deals with: description of the activity, its thematic sector, names of financing institutions and contacts details of the individuals who may provide more information. It is surprising that in no case is there any information about the economic amounts of the intervention (probably the difficulty lies in the fact that municipalities are not inclined to provide this type of information).

3.3.2 Strategies for obtaining information

Mechanisms for the collection of information by associations of municipalities are the following:

²Occasionally, associations of municipalities also represent intermediate associations like provinces or even regions of its respective countries, though this section of the article is focused on the collection of information on municipalities.

- Regular questionnaires addressed to municipalities. Such questionnaires usually compile information on cooperation activities every 2 years or more, especially regarding partnership relationships, although in some occasions there are also some inquiries about the characteristics of the cooperation policy developed by the local authority: priority territorial spheres, thematic sectors, cooperation modalities (subsidies to NGOs, municipalities' direct cooperation, etc.).

- Direct communication with municipalities. Associations of municipalities require their members to provide information on the changes occurring in their partnerships. This mechanism seems to work better in small countries in which the association of municipalities carries out advisory services regarding international relations in general and decentralised cooperation in particular.

- Management of decentralised cooperation support programmes. Management of these programmes enables associations of municipalities to identify activities of institutions who request financing.

3.4. Network coordinating bodies

Some bodies localised during the search for information sources are focused on promoting the international cooperation of networks of territorial administrations. Among other tasks, they provide information on the activity of the institutions they work with. These coordinating bodies are basically located in the European countries, and no counterparts have been found in Latin America. Their relevance to the study of sources of information lies in their knowledge of a set of specific decentralised cooperation actions.

The European countries in which examples of networks involved with Latin

America have been located are Austria, France, Italy, the Netherlands and Spain. Similarly, there are organisations that coordinate networks of municipalities of various European countries, although the cases found are basically focused on supporting the social organisations of Southern countries (like "Climate Alliance", which acts in the Amazon area of several countries in South America).

The characteristics of the information these networks have are similar to those mentioned with regard to the associations of municipalities, although the significance of twinning records is smaller (as they usually focus their work on specific cooperation interventions). Coordinating bodies get information from the close ties they maintain with the territorial administrations they work with. Such ties may be based on:

- direct involvement of these institutions in decentralised cooperation actions (this would be the case of *Cités Uniés France*, *Landelijk Beraad Stedenbanden Nederland* - *Nicaragua* or Coordination of Twinning and Austrian Cooperation Initiatives, CHICA); or

- the joint work in some of their countries' regions, like the cooperation funds in Spain, the cooperation networks in France or similar organisations in Italy (in this second case, proximity to the territory may provide a wider knowledge of their actions).

In general, it is worth underlining the fact that the coordinating institutions' main potential is that they may have access to accurate information on the activities, although often their scope does not cover an important percentage of the territory.

3.5. Potential sources of qualitative information

The research performed to identify the information sources has evidenced the exist-



ence of a group of organisations focused on consultancy, investigation and training which have incorporated decentralised cooperation into some of their lines of work. Though such organisations do not have systematised information on decentralised cooperation actions, their task will be helpful in subsequent, more qualitative, studies of this phenomenon (particularly that of organisations providing advisory or consultancy services on specific actions).

This type of potential source of qualitative information in Latin America includes the *Fundación Grupo Innova* in Argentina, the *Instituto para o Desenvolvimento da Cooperação e Relações Internacionais* in Brazil, *FLACSO's* Regional Development Programme in Chile or the Citizen Proposal Group in Peru.

In Europe the work of the Centre of Municipal Studies and International Cooperation in Spain, the centre Studi di Politica Internazionale in Italy, *Kommunen In Der Einen* in Germany and *Österreichische Forschungstiftung für Entwicklungshilfe* in Austria should be highlighted.

4. Limitations on information available

The results of the search for decentralised cooperation information sources shows that it is possible to identify a large amount of activities of this kind. However, the information located is incomplete with regard to the whole sphere of decentralised cooperation. The main reasons explaining this fact are:

4.1. Lack of collection in several countries, particularly in Latin America

The status of the information sources by country shows the coverage differences in the

systematisation of the cooperation activities of territorial administrations. This difference is particularly relevant in comparing the reality in Latin America and in the EU: while in the EU countries there are institutions that have some degree of information about the activity of territorial administrations, in Latin America such a situation is less frequent. These events are attributable to the fact that European central administrations – unlike those in Latin America – show great interest in calculating ODA (the European countries studied are net issuers of ODA and are interested in obtaining the amount given by all their public administrations). Regarding the rest of the institutions that centralise information, in Europe a larger number and variety of institutions have been detected focused on supporting and coordinating the cooperation actions of their municipalities. Lastly, some countries' territorial administrations are not particularly active in decentralised cooperation relationships, so the establishment of an information collection system in that regard may not be justified.

4.2. In most countries collection does not include data for all territorial administrations

The collection of information on the cooperation activities of territorial administrations is an expensive activity, basically due to the large number of institutions potentially involved, especially in European municipalities (see Table 1).

This fact is particularly relevant in the case of some countries with a large number of municipalities (see Table 2).

Strategies to cover the highest number of actors possible are many and they are based on a series of elements, among which the amount of financial resources available for the search for information stands out. The institutions that try to get information by asking their countries' territorial admin-

Table 1

Geographical Areas	N° of municipalities
European Union*	72.448
Central America and the Caribbean **	3.808
South America	12.115

Source: Own elaboration from data from Eurostat, Latin American National Institutes of Statistics and associations of Latin American municipalities.

* The 15 countries making up the EU before the last enlargement

** The countries of the Central American Isthmus, Mexico and Cuba.

Table 2

Country	N° of municipalities
France	36.678
Germany	13.176
Spain	8.108
Italy	8.100
Brazil	5.564

Source: Own elaboration from data from Eurostat and the Brazilian Institute of Geography and Statistics.

istrations directly are national governments and associations of municipalities. However, it is not usually possible to cover the whole territory, therefore a set of criteria is applied in order to limit search tasks, which include:

- classifying by administrative level – for example, collecting information only at a regional level (this is basically the case of national governments);
- classifying by some municipal feature (population, capital status, etc.); and
- collecting a sample of territorial administrations that are deemed to be particu-

larly active (for example, those involved in twinning).

An extremely relevant additional problem is the degree of response to questionnaires, which is usually not high (so that not all the information requested from the territorial administrations is obtained). Hence, in some cases there are institutions which currently do not send questionnaires, but rather wait to be directly informed by the actors involved in decentralised cooperation activities.

4.3. The target that drives the collection of information introduces bias

As mentioned above, the collection of information on the decentralised cooperation of the sources reviewed arises mainly from the intention (1) of calculating ODA and (2) of identifying the cooperation activities as part of the internal relations of territorial administrations. However, the target affects the collection of information per se and, consequently, also the results obtained.

4.3.1. Obtaining ODA

Obtaining ODA from the territorial administration is usually focused on the compilation of financial flows and on the analyses arising from these. It is mainly intended (1) to assess the aggregate amounts of contributions to cooperation extended by territorial administrations, (2) to integrate such flows into each country's ODA, and (3) to find out the distribution of such flows by countries, sectors and topics.

Within this context, the compilations made in order to obtain the amount of ODA frequently do not clearly identify, within the



set of actions, which are the ones that lead to the establishment of a direct institutional relationship between territorial administrations of both regions. The main reasons for this may be the following:

- Knowledge of the actors involved (essential when looking for a more qualitative approach to the phenomenon of decentralised cooperation) and the detail of the interventions is not indispensable to attain the aforementioned objectives, as, in this case, it is enough to know the global flow of resources allocated to cooperation tasks.

- The part of decentralised cooperation implying a direct involvement of the EU and LA territorial administrations is not usually computed independently from the rest of activities financed by territorial administrations. Therefore, it may be mixed with other cooperation modalities like awareness raising, financing DNGO calls for projects, scholarships, financing multilateral bodies, etc.

- The scope of public decentralised cooperation directly involving territorial administrations of both regions is difficult to measure by economic disbursements. For example, in countries like the Netherlands or Sweden, with high North-South partnership activity, the central government claims that the amounts extended are small in the case of the Netherlands, or null in Sweden. A first possible reason is that decentralised cooperation activities are financed with funds not allocated to specific projects, like the costs of territorial administrations staff. A second reason may be that financing comes from third party institutions like central governments or international funds. Finally, the very nature of the activities may imply that they have a low cost, as in the

case of technical exchanges, a fact that discourages their collection for the purpose of ODA calculation.

4.3.2. Identifying and characterising the international relations of territorial administrations

In cases where the main intention is to get to know the cooperation activities as part of the international relations of territorial administrations, attention is focused on the actors that contact each other. The basic intention is to identify the relationships created between each country's territorial administrations and to characterise the types of actors who play the leading roles in this new phenomenon (urban metropolises, small municipalities, territorial entities, regions, etc.). Similarly, to a lesser extent there may also be the intention to define whether relationships are spontaneous or induced by support programmes financed by governments or multilateral international institutions, to identify which are the reasons driving local and territorial governments to intervene in the international scenario (through more qualitative analysis) or to analyse the actors' internal organisation to act in the field of decentralised cooperation (technical structures, programming instruments, etc.).

The main advantage of the collection of information based on the identification of relationships is that this directly compiles activities of a more institutional nature, and that it allows local and regional administrations involved in this cooperation modality to be found. The issue is that it may leave other initiatives aside, such as the support to municipal promotion networks, which are not necessarily direct relationships from institution to institution.

Most of the relationships identified are of twinning. One of the problems of this type of information is that it does not describe the degree of activity of the relevant relationship, so in some cases certain sleeping or even inexistent relationships may be included. Another issue is that it does not show specific actions which may arise from this type of relationship between two territorial administrations.

4.4. Disparity of parameters

Finally, one of the main problems encountered when analysing decentralised cooperation initiatives lies in finding comparable data. That is, each institution applies different parameters to characterise the relationships analysed, so drawing conclusions is not an easy task. Some of the most common parameters are economic parameters, cooperation modalities (technical cooperation, provision of infrastructures, etc.) and sectorial analyses (health, education, economic activities, etc.), but the lack of homogeneity hampers the assessment of the information collected. For the comparison of data it would be advisable to have the information systematised on the basis of a set of homogenous patterns.

With regard to economic information, there is not always a consensus on the figures to be used. Among the different possibilities applied to economically characterise an activity, there is the financing initially approved by one of the funding institutions (usually European), annual disbursements of this, or the global budget allocated by all who take part in the activity. Furthermore, except for central governments -mainly European-, most information sources do not offer economic data on the interventions.

In terms of sectorial classification, there is a certain consensus in Europe regarding the use of the pattern proposed by DAC. Despite this, its use has not spread to all the institutions collecting information (particularly when they are not central administrations that use their own classifications, as the DAC classification is not designed to take into account the territorial administrations' cooperation actions).

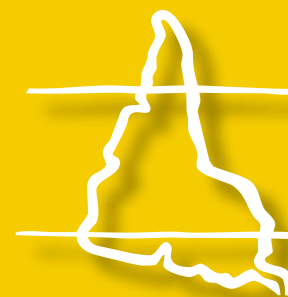
5. CONCLUSIONS

The main conclusion to be drawn after analysing the outcomes of the research performed is that decentralised cooperation is still a phenomenon with low visibility, both in the countries under consideration and on a global scale. It may also be said that in certain countries – mostly Latin American – it is almost unknown, while territorial administrations are just another financier without any special added value.

The current vision is sometimes distorted in favour of the activities of the regions (a distortion mainly affecting the information coming from central governments), of the co-financed programs and of the most active countries. Therefore municipal activity is less known, especially activity promoted by municipalities themselves.

Besides, generally there is very little access to the information that allows the identification of the institutions involved (especially with regard to information coming from central governments) and even less to qualitative information (practices, public policies, models, etc).

On the other hand, the research is also a sign of a growing interest in systematising the information in both geographical areas. Such interest may principally arise from the



relevance that decentralised cooperation has achieved within development cooperation.

Such interest is also visible in international bodies like the OECD, the United Nations Development Program and the organisation of United Cities and Local Governments, where initiatives for the research on and quantification of this phenomenon start to appear.

Difficulties in making this phenomenon visible lie partly in the fact that decentralised cooperation is a somewhat incipient practice, and also in the difficulty of grouping the activities arising from multiple and diverse actors. Probably the lack of political will to know and give visibility to the cooperation activity of territorial administrations is also behind the restrictions to information found. On the one hand, the new role undertaken by territorial administrations as public agents with the capacity to have an influence in the international arena put them in a position where only central governments and international institutions use to be, for which they may be regarded as new competitors. On the other hand, the zeal of certain territorial administrations for safeguarding local autonomy sometimes makes them cautious in releasing information which they sense may be used in the future to condition their activities.

Therefore, the gathering of information calls for alliances between central governments and representatives of territorial administrations in order to overcome any mistrust that may exist between both administrative levels. In fact, such a need for alliances starts materialising in agreements entered into in the European countries. In analysing only the activities of shared compilation we find that, in Spain and Italy, those who participate are the Ministries of Foreign Affairs and local actors. This coordination probably ex-

ists in other European countries, although the compilation relies mainly on the association of municipalities (for example, in Belgium, the Netherlands or the United Kingdom). In the case of Latin America, such collaboration does not seem to be quite visible yet.

In turn, the Observatory needs to gather information regarding financial flows (ODA), relationships between agents, or more qualitative information like practices and models. However it may not replace the actors in charge of the gathering and handling of statistical information. What it can offer is a space for exchange and reflection furthering the tasks of the institutions in charge of this activity in each country. As an example of this task, Annex 4 includes a summary of a meeting organised by the OCD on December 2nd, 2005 in Barcelona, in which institutions from France, Italy and Spain – the countries most actively involved in LA- met with the intention of exchanging experiences.

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GERMANY

General characteristics of its territorial cooperation

Many German territorial administrations are involved in cooperation activities. This is evidenced in the lists of decentralised cooperation relationships appearing in the German section of the web page of the CEMR. Such participation is often connected to environmental activities. Indeed, many German municipalities take part in international cooperation networks in the environmental field, such as "Climate Alliance".

Economic figures available for analysing the magnitude of contributions provided by local German authorities in cooperation activities do not give a true measure of their relevance. On the one hand, there is the figure for German territorial ODA² for 2003 provided by the OECD³, amounting to 687.3 million dollars. Compared to the rest of the OECD countries, this is the highest figure; however, this should be qualified, as it corresponds to contributions made solely by Länder, and besides, 90% is addressed to financing education scholarships.

The decentralised cooperation data available reveals that Latin America may be one of the priority geographical areas. In fact, this conclusion may be reached by comparing the 182 partnership relationships between German territorial administrations and their foreign counterparts, calculated by the German government in 2003 (OECD), and the 50 found by the OCD with LA in 2005. A deeper analysis of the Latin American countries to which such relationships are addressed shows that 65% of them are centred in Nicaragua.

With regard to Länder, Latin America does not a priori look like a priority geographical area in the area of financing. This is clear in terms of ODA, where 8% of the cooperation budget not allocated to education activities in Germany is directed at this geographical area. In any case, an analysis of the actual destiny of the decentralised cooperation activities of the Länder would be helpful in order to qualify their performance.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central government: government of Germany

The German government provides the OECD with the data on its territorial authorities' ODA. Characteristics of such information are as follows:

- It gathers solely the ODA of the German Länder, although sometimes some information appears on the activities of the municipalities
- ODA is calculated by adding up the annual economic disbursements assigned by each territorial government to the projects financed by them.
- Information it gathers on specific decentralised cooperation activities consists of a monitoring of partnering agreements entered into by German municipalities.

Entities of the territorial sphere:

Deutsche Städtetag (German Association of Cities)
<http://www.staedtetag.de/>

This is the most important association of cities in Germany, and encompasses around 5,500 municipalities of the 13,1766 in the country. The International Relations Office carries out several cooperation activities, and also takes part in a joint programme to strengthen the municipalities' development cooperation together with the GTZ. In terms of information collection, it is in charge of the German section web page of the CEMR, containing the decentralised cooperation

¹This includes the EU 15 countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

²Territorial ODA is the Official Development Assistance provided by territorial administrations

³(OECD 2005).



activity of its associated municipalities. Specifically, the following information can be found:

There is a database of partnership relationships and another of cooperation projects in Southern countries.

The partnership relationships database shows the year the relationship began and clarifies whether it is a twinning relationship, a partnership for the development of a specific project, or isolated contacts.

The projects database allows access to specific information on each project, including contact persons or the thematic area of activities. The Southern partners of such projects are both local authorities and private actors in cooperation. There are no economic figures available for these projects.

AUSTRIA

General characteristics of territorial cooperation

Cooperation financed by Austrian territorial administrations seems to be particularly channelled through development non-governmental organisations (DNGOs). The list of possible twinning included in the web page of the Austrian Association of Municipalities indicates that there seem to be few decentralised cooperation activities with municipalities in Southern countries.

On an economic level, figures collected by the OECD regarding ODA throughout Austrian territorial administrations amount to around 3.9 million dollars, which represents an intermediate level between the member countries of the organisation who contribute the most and those said not to contribute at all.

Eastern Europe is the main geographical area in terms of twinning between Austrian municipalities and countries eligible to receive development cooperation, and Latin American countries appear to have most twinning relationships of Southern countries, especially Nicaragua, which has 11 of the 14 twinning relationships found by the EU-LA ODC for all Latin America.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central government: government of Austria

The Austrian government provides the OECD with the data on ODA of its local authorities. The characteristics of such information are as follows:

- It includes only the ODA of the federal states and their most active cities, which are those involved in twinning. Significant disbursements are also taken into account by monitoring the activities of DNGOs.
- ODA is calculated by adding the annual economic disbursements assigned by each territorial government to the projects they finance.
- In addition, information on financing initially promised by the institution and on co-financing is requested.

Institutions in the territorial sphere:

Österreich Gemeindebund
(Austrian Association of Municipalities)
<http://www.gemeindebund.at/>

The Austrian Association of Municipalities holds information about the twinning of its municipalities. The characteristics of this information are:

- In addition to the name of twinning partners, the list includes the date such relationship started.
- Information is gathered by means of a questionnaire sent from time to time to all municipalities. It also keeps direct contact with some municipalities which provide information about their new activities.

Private institutions:

Österreichische Forschungsstiftung für Entwicklungshilfe
<http://www.oefse.at>

This is a research centre which, among other activities, advises the central government and Austrian territorial administrations on international cooperation issues. It works in particular in close collaboration with the Ministry of Foreign Affairs of Austria.

Although it is not focused on gathering added information on the cooperation activities of the Austrian territorial administrations, it does know the key actors in cooperation in its country, included those dedicated to decentralised cooperation.

Coordinación de Hermanamientos e Iniciativas de Cooperación Austriaca -CHICA (Coordination of Twinning and Initiatives of Austrian Cooperation)
<http://www.chica.tk/>

CHICA is a programme of the Austrian NGO Horizont 3000 focused on coordinating twinning between cities, universities, district schools, solidarity groups and other projects in Nicaragua and Austria.

The list of such twinning is included in CHICA's web page. Generally, contact data of the municipalities involved is provided.

BELGIUM

General characteristics of its territorial cooperation

Belgium seems to be a country where territorial administrations carry out a wide range of development cooperation activities. This perception can be seen in the fact that the ODA provided by its regions, provinces and municipalities amounts to 59.8 million dollars, the third highest figure compared to the rest of the OECD countries, and it is particularly relevant considering that Belgium is one of the smallest countries in Europe. Another fact supporting that same perception is that 86% of Flemish municipalities and 16% of Walloon municipalities have funds assigned to development cooperation².

In the area of decentralised cooperation, Belgium also seems to be among the most active participants in the EU. Specifically, slightly under 1 in 5 municipalities takes part in a partnership relationship with counterparts in Southern countries.

Regarding the territorial orientation of decentralised cooperation, central and southern Africa is the geographical area of Southern countries with the highest number of relationships, not taking into account the countries of eastern Europe, followed by Latin America. At present, the OCD has specifically found 21 relationships between Belgian municipalities and their Latin American counterparts.

Belgian provinces and regions also carry out development cooperation activities. In some cases there may be some activity with Latin America, although this seems infrequent.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central government: government of Belgium

The Belgian government provides the OECD with the data on ODA of its local authorities. The characteristics of this information are:

- ODA is calculated by adding up the total contributions of each territorial government devoted to financing development cooperation activities, and then a percentage is assigned according to the subject of the activity or the country to which the resources are assigned.
- Information is gathered from the regions, provinces and municipalities.

Institutions in the territorial sphere:

Union des Villes et Communes Belges
(Union of Belgian Cities and Municipalities)
<http://www.uvcv-vbsg.be/globalvillage/index.htm>

The Union of Belgian Cities and Municipalities is the platform in which the three associations of regional municipalities carry out their activities in common interest fields at a federal, European and international level. It has a programme called "Global Village" focused on international cooperation activities. However, the major figures of the coordination of cooperation activities are such associations of regional municipalities.

Association de la Ville et des Communes de la Région de Bruxelles-Capitale (Association of the City and Municipalities of the Brussels-Capital Region)
http://www.avcb-vsbg.be/fr/mati/int/coop/c_pres_fr.htm

The Association of the City and Municipalities of the Brussels-Capital Region encompasses 19 municipalities. It consists of an area for international cooperation which, among other activities, participates in the Federal Programme on Municipal International Cooperation, advising on the drawing up and monitoring of projects, providing information on the special features of the programme and project management training. In terms of information collection, the following should be mentioned:

They have information about the projects managed by the programme.

In addition, they are frequently in touch with the 19 municipalities of the area of influence, so they are usually informed of their activities.

They conduct a survey asking the municipalities about their cooperation activities, although it hasn't been updated for the last 5 years.

Union des Villes et Communes de Wallonie
(Union of Walloon Cities and Municipalities)
<http://www.uvcw.be/espaces/international/>

The Union of Walloon Cities and Municipalities encompasses 262 municipalities. It has a division dedicated to International Relations/Europe. Among other activities related to development cooperation, the Union participates in the Federal Programme on Municipal International Cooperation, just like its counterparts in the Brussels-Capital Region and in the Flemish regions. It also keeps a database with the partnership relationships in the international sphere. The characteristics

²Union of Belgian Cities and Municipalities (2000).



of the information available are:

- It facilitates communication with individuals in the Belgian municipality involved in partnerships.
- It provides information on the activity's funding institution, the whole number of activities jointly completed between both partners, the status of the latest activities performed and a brief outline of these.

Vereniging van Vlaamse Steden en Gemeenten
(Association of Flemish Cities and Municipalities)

<http://www.vvsg.be/>

The Association of Flemish Cities and Municipalities encompasses 308 municipalities. It has a division in charge of International Affairs. Among other activities related to development cooperation, the Union participates in the Federal Programme on Municipal International Cooperation just like its counterparts in the Brussels-Capital Region and in Walloon, in addition to which it manages the Flemish Programme on Municipal International Cooperation. It is also in charge of information compilation tasks, the characteristics of which are as follows:

Information is obtained both from its participation in the federal and regional programme and from its close relationship with the municipalities in sessions of exchange of experiences or on-site visits.

From time to time, a questionnaire is sent to all municipalities, although it does not constitute the main source of information.

It keeps a descriptive file of each decentralised cooperation activity in Flemish.

DENMARK General characteristics of its territorial cooperation

The Danish municipalities, despite carrying out cooperation activities, are not active in Latin America, or at least that is the impression left by the latest compilation of information carried out by the Association of Danish Municipalities 2005, where no relationship in this geographical area was found.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central government: government of Denmark

According to the OECD, the Danish government declares that it does not gather information as municipalities do not devote funds to cooperation activities.

Institutions in the territorial sphere:

Local Government Denmark (LDK)

<http://www.kl.dk/lgdg>

LDK has an International Consultancy Division since 1990. Latin America is one of its geographical areas of operation. It also supports international activities of Danish municipalities, for example it provides information on European financing to establish relationships with municipalities from other countries. Likewise, it gathers information on international activities of Danish municipalities. The characteristics of this activity are:

- A questionnaire is sent to the Danish municipalities asking about their international activity. The last one took place in 2005.

- The next questionnaire is expected for 2007, upon the consolidation of the current territorial reform in Denmark that particularly affects the local sphere.

SPAIN General characteristics of its territorial cooperation

According to the OECD, Spanish territorial ODA amounts to 321 million dollars, which represents the second highest amount of resources if compared to its counterparts among the rest of the EU countries. However, if we take into account that the first donor is Germany with 687.3 million dollars, and that 90% of its funding corresponds to contributions by Länder to education scholarships, then the Spanish territorial administrations contribute the most to cooperation in comparison with all the other member countries of the OECD.

Furthermore, Spain is the country that assigns most territorial ODA to Latin America. In fact, the information available to the OECD reveals that 65% of the financing of Spanish territorial administrations goes to this geographical area.

Specifically in terms of decentralised cooperation, Spain is markedly the most active country in LA. The 216 relationships identified by the OECD between Spanish and Latin American territorial administrations is the highest number of the EU countries, and in addition, amount is likely to be quite underestimated.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

An information compilation system on decentralised cooperation is currently being designed; it is expected to be put into prac-

tice in 2006 and to start yielding results in 2007. This system is designed in coordination with the Sub-directorate General for the Planning and Evaluation of Development Policies of the Ministry of Foreign Affairs (MAE), the Spanish Federation of Municipalities and Provinces (FEMP) and the Confederation of Funds for Cooperation and Solidarity.

Central government:

Sub-Dirección General de Planificación y Evaluación de Políticas de Desarrollo” del “Ministerio de Asuntos Exteriores” (MAE)

(Sub-directorate General for the Planning and Evaluation of Development Policies of the Ministry of Foreign Affairs)

(<http://www.aeci.es/ope/index.htm>)

This organism is in charge of programming, monitoring and evaluating Spanish Cooperation, as well as the coordination of foreign relationships with international development cooperation bodies, mainly with the Development Assistance Committee of the OECD.

The information available has the following characteristics:

- It presents information on the whole activity of development cooperation carried out or promoted by Spanish autonomous communities. A list of their projects is available on its website.
- ODA is calculated by adding the annual economic disbursements assigned by each administration to the projects financed by them.
- There is no updated information regarding the activity of municipalities and provinces. Figures offered in this respect to the OECD are an estimate based on research performed in 2001; these figures increase year by year taking as reference the increase in state budgets.

Institutions in the territorial sphere:

Federación Española de Municipios y Provincias (FEMP)

(Spanish Federation of Municipalities and Provinces)

www.femp.es

The department of international relations is in charge of collecting information on the cooperation of the Spanish municipalities and provinces of FEMP. The information available has the following characteristics:

- A database is maintained of the twinning of Spanish municipalities. The system is fed the information provided voluntarily by the municipalities; therefore it may not include all relationships or some of them may no longer be in force.

- Up to 1999 FEMP had an agreement with MAE whereby it gathered information about the municipalities' cooperation projects, based on a survey addressed to all municipalities of over 5,000 inhabitants.
- It is currently reformulating its information collection methodology and is expected to participate with MAE in the next campaign to be carried out in Spain.

Confederación de Fondos de Cooperación y Solidaridad
(Confederation of Funds for Cooperation and Solidarity)

www.confederacionfondos.org

The Confederation of Funds for Cooperation and Solidarity is a framework for joint coordination and representation of the various Cooperation Funds that exist in 7 autonomous communities in Spain. In fact, there are cooperation funds in: Andalusia, Catalonia, Extremadura, Galicia, the Balearic Islands, the Basque Country and Valencia.

A Fund for Cooperation and Solidarity is a non-profit association in which city councils and other private and public institutions join together to carry out activities connected to development cooperation.

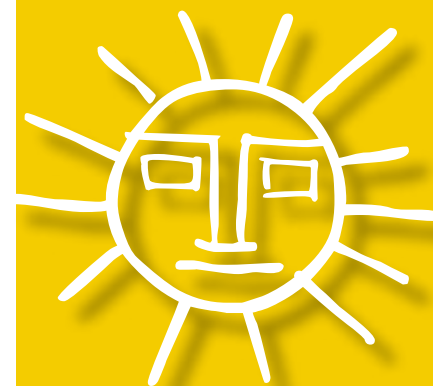
Most of these organisations gather information on the decentralised cooperation of their respective territories, and some of them, such as “Fons Català” — which belongs to the autonomous community of Catalonia — post their information on their web page.

At present, the Funds are carrying out — in their respective autonomous communities — an information compilation campaign expected to end in March 2006. This compilation campaign is intended to identify the development of the different decentralised cooperation activities of the municipalities.

FINLAND

General characteristics of its territorial cooperation

The Finnish municipalities, despite being legally empowered to carry out cooperation activities, have their budget restricted in this regard as they must guarantee the provision of basic services to their inhabitants. Therefore, they generally require external funds in order to carry out activities of this kind, and usually resort to financing from the Finnish Government. The Finnish Government has a cooperation support programme for the municipalities of its country, though it is focused on the African continent. Consequently, decentralised cooperation activity with Latin America seems to be rather scarce.



Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central government: government of Finland

The Finnish government believes that the total amount of activities financed by its territorial administrations is small, and therefore the effort of gathering the information is not justified.

Institutions in the territorial sphere:

Association of Finnish Local and Regional Authorities

http://www.kunnat.net/k_etusivu.asp?path=1;161;279

The Association of Finnish Local and Regional Authorities keeps information on the activity of Finnish municipalities, especially those requesting funds from central government to finance their decentralised cooperation activities.

FRANCE General characteristics of its territorial cooperation

France is one of the European countries whose territorial administrations participate the most in international cooperation activities. The OECD estimates French territorial ODA to be 39.5 million dollars, an amount representing the 4th highest contribution compared to the rest of its members.

Latin America is not a priority geographical area for French cooperation in general and for territorial administrations in particular. This is evidenced by the fact that the percentage of resources assigned to LA by the programme of the Ministry of Foreign Affairs) focused on supporting cooperation between territorial administrations is below 4%. Indeed, French cooperation is mainly devoted to supporting French-speaking countries. However, as it is a country with a large number of territorial administrations (22 regions, 91 provinces and 36,678 municipalities)⁵, and as it maintains outstanding and progressive decentralised cooperation, in absolute terms its activity in Latin America is relevant.

Lastly, it should be emphasised that, in France, the term Decentralised Cooperation (DC) makes specific reference to cooperation

relationships between French territorial administrations and the rest of the world.

Description of the entities in charge of collecting information on cooperation activities of territorial administrations

Central government :

Commission Nationale de la Coopération

Décentralisée (CNCD)

(National Commission for Decentralised Cooperation)

<http://www.diplomatie.gouv.fr/cncd/index.html>

The CNCD is an initiative of the French government connected to the Ministry of Foreign Affairs, committed to providing governmental support to those French local authorities directly involved in international cooperation activities.

The French government gathers ODA from the decentralised cooperation activities according to the French definition mentioned above. The CNCD is precisely centred on DC. The following is an outline of its work:

It has a search engine on its web page where relationships between French local authorities and those of Southern countries can be found. In addition, there is a general description of each of the relations and the year it began.

Information is obtained by means of a survey directed to regional and departmental governments and to the main cities in France. This survey is repeated every 2 years in order to identify new decentralised cooperation activities, and once a year to know the annual amounts disbursed.

In addition, information is updated through: direct contact with the French local authorities that have provided such information, information available in certain embassies, and through information submitted by French organisations representing local administrations that carry out cooperation tasks, such as "Cités Unies France".

Furthermore, French local authorities must inform the Ministry of Foreign Affairs of their international activities, though not all of them do so. Another source for identifying new relationships comes from the fact that some French local authorities provide information on their initiatives to the CNCD itself.

The Internet address below contains a detailed description of the information collection system. http://www.diplomatie.gouv.fr/fr/IMG/pdf/Rapport_2004_du_delegue.pdf

⁵Eurostat.

Institutions in the territorial sphere:

Cités Unies France (CUF)

(United Cities of France)

<http://www.cites-unies-france.org>

This is an entity that federates and supports between 2,000 and 3,000 territorial administrations involved in international cooperation activities. Some characteristics of the information available are as follows:

The department in charge of cooperation with Latin America keeps a list of relationships between French and Latin American territorial authorities.

Initial information was obtained through a survey prepared in 2001, and is systematically updated every 2 years. Furthermore, information is permanently updated by means of direct contact with the French territorial authorities operating in LA. They also resort to other information sources such as the CNCD database to compare listings.

Similarly, there is also a descriptive file on the specific activities of each of the relationships displayed in the list.

Regional mechanisms for the coordination and support of actors in cooperation and international solidarity.

13 of the 22 French regions have a mechanism for the coordination and support of international cooperation in their territories. The organisations are as follows :

Horizons Solidaires (Basse-Normandie)

IRCOD (Champagne-Ardenne)

Centre de Ressources et d'Appui à la Coopération Internationale (Auvergne)

Medcoop (Provence-Alpes-Côte D'Azur)

Acteurs Ligériens de la Coopération Internationale et du Développement (Pays de la Loire)

Centraider (Centre)

Institut Régional de Coopération Décentralisée (Alsace)

Lianes de Coopération (Nord-Pas de Calais)

AB2C (Bourgogne)

Coopération Décentralisée et Développement Solidaire (Aquitaine)

Centre de Ressources de la Coopération Décentralisée en Franche-Comté

Réseau d'Appui à la Coopération en Rhône-Alpes

Direction des Relations Internationales et de la Coopération Décentralisée de Lorraine.

Such mechanisms usually have their own operational structure, though in some cases they are part of a regional public administration body.

However, not all mechanisms keep a database in which the decentralised cooperation activities of the public administrations of their territories may be included.

Private institutions:

Association CoopDec Conseil

(Association Coop Dec Council)

<http://www.coopdec.asso.fr/>

It is an organization committed to promoting and providing services to decentralised municipalities and actors intending to get involved in cooperation.

It keeps an online database of relationships, though it seems to be mainly provided with the information available from the CNCD.

GREECE

General characteristics of its territorial cooperation

The Greek local sphere takes part in decentralised cooperation activities, despite the fact that such participation doesn't seem to be accompanied by the relevant economic disbursement. Indeed, the Greek government has calculated approximately 100,000 euros of Greek territorial ODA.

Latin America does not appear as a priority geographical area for governmental cooperation or for local cooperation. However, some municipalities take part in decentralised cooperation activities in this geographical area. Specifically, the Greek Association of Municipalities has identified 5 twinning relationships among its municipalities and their Latin American counterparts.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central government: government of Greece

The Greek government gathers information on the ODA of its local authorities. This compilation is characterised as follows:

ODA is calculated by adding the annual economic disbursements assigned by each territorial government to the projects financed by them.



The range of the compilation covers 29 of the 50 departments and 65 municipalities, which are usually the capital cities of such departments.

Institutions in the territorial sphere:

Central Union of Municipalities and Communities of Greece

http://www.kedke.gr/intRelatKedke_english.htm

The Central Union of Municipalities and Communities of Greece has a division in charge of international relations, which gathers information on the twinning relationships of Greek municipalities with their foreign counterparts. The collection of information is characterised as follows:

Information is gathered by sending a questionnaire to all municipalities in Greece, followed by a telephone enquiry.

Data compilation takes place every 4 years. The last questionnaire was sent in 2003.

IRLANDA

Características generales de su cooperación territorial

Los municipios irlandeses desarrollan cierta actividad en el ámbito de la cooperación internacional. Por ejemplo participan en el programa "Twinning" de la Comisión Europea, mediante el cual tienen relación con municipios de la Europa del Este.

Sin embargo en América Latina no se ha detectado desde el OCD UE-AL ninguna actividad, ni siquiera su participación en algún proyecto aprobado hasta el 2004 proveniente de las redes del programa URB-AL de la Comisión Europea.

Descripción de las entidades que recopilan información sobre actividades de cooperación de administraciones territoriales

Gobierno central : Gobierno de Irlanda

Según la OCDE el gobierno irlandés declara que no recopila información debido a que los municipios no dedican fondos a actividades de cooperación.

Instituciones de ámbito territorial:

Institute of public administration
(Instituto de Administración Pública)
<http://www.ipa.ie/content.asp?id=3>

Es el referente del Comité de Municipios y Regiones de Europa en Irlanda. Gestiona el programa Twinning de la Comisión Europea. Hasta la fecha no han localizado ninguna relación entre administraciones territoriales irlandesas con sus homólogos latinoamericanos.

ITALY

General characteristics of its territorial cooperation

Italy is the fifth OECD country in terms of contributions made by its territorial administrations. The figure obtained by the OECD amounts to 27.3 million dollars for 2003, though it is likely that this is underestimated. In fact, an analysis made by the Centro Studi di Politica Internazionale (CeSPI – Centre for International Political Studies) on the activity of Italian regions in 2003 calculates its contributions at 36 million euros. Adding the amount of 2.9 million euros resulting from other research carried out by the same institution over a sample of the 100 most important Italian cities, would give ODA of almost 39 million euros.

The activity of the Italian territorial administration is also evidenced by the fact that 65% of the municipalities of the above 100 cities sample are involved in cooperation activities. Such activity is more widespread in the north of the country, with a participation of 87%, while the percentage in the south falls to 38%.

The information available regarding decentralised cooperation activities does not provide a clear picture. On the one hand, activities of international cooperation in which territorial administrations are directly involved – not only by financing – are usually carried out by non-governmental actors. On the other hand there is no entity in charge of systematically gathering information on Italian twinning. These two reasons may explain why the OCD could only find – through isolated sources of information – 50 relationships between Italian territorial administrations and their Latin American counterparts. It is most likely that this figure is considerably underestimated.

Priority cooperation areas for Italian territorial administrations are: the Balkans and the Mediterranean countries (mainly

Palestine and, to a lesser extent, Tunisia and Morocco)⁸. Latin America is the third geographical priority. Data collected by the OCD concerning the relationships between Italian and Latin American territorial administrations reveals that cooperation is focused on Argentina and Brazil, perhaps because those countries in particular have hosted a large Italian migrant population.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

An information compilation system for decentralised cooperation will be launched in 2006, and is expected to provide results in 2007. This system will be implemented in a joint effort between the Ufficio Coordinamento Cooperazione Decentrata of the Ministry of Foreign Affairs (MAE), the Osservatorio Interregionale sulla Cooperazione allo Sviluppo (OICS) and CeSPI.

Central government:

Ufficio Coordinamento Cooperazione Decentrata del (MAE)

(Office for the Coordination of Decentralised Cooperation (Ministry of Foreign Affairs))

http://www.esteri.it/ita/4_28_68.asp

Activities of the Ufficio Coordinamento Cooperazione Decentrata (MAE) are committed to providing a frame of reference to Italian regions in which they can include their own initiatives. The main objective is to promote the coherence of the regions' activities through the cooperation policy of the Italian government itself and where appropriate to provide specific support to interventions.

Its activities include the implementation of a database of Italian decentralised cooperation, which is compiled jointly by OICS and CeSPI, as mentioned above.

So far, although information on the activities of decentralised cooperation in the Italian regions, provinces and municipalities is collected, the information available is mostly connected to regions.

ODA is calculated by adding the annual economic disbursements assigned by each territorial government to the projects financed by them.

The information collected has been obtained through 3 data compilation campaigns, the first carried out in the year 2000, the second in 2002-2003, and the third in 2005.

The compilation system that is to be put in place in 2006 is made up of people in charge of obtaining information in each region, who will then incorporate such information into a central database.

Institutions in the territorial sphere:

Osservatorio Interregionale sulla Cooperazione allo Sviluppo (OICS)

(Interregional Observatory on Development Cooperation)

<http://www.oics.it>

This is the association of Italian autonomous regions and provinces committed to coordinating and supporting the planning, execution, evaluation and monitoring of the international cooperation initiatives of its member institutions.

As stated above, these institutions have participated in the previous compilation of information, and are part of the data compilation system planned for the future.

Regional and provincial devices for the coordination and support of cooperation and international solidarity actors.

Some Italian provinces and regions have some kind of device allowing them to coordinate and support the coordination efforts of their territorial institutions. The Observatory has specifically identified the following:

Agora Pace Cooperazione Solidarieta Internazionale Piemonte

Sistema Informativo della Cooperazione Decentrata Toscana

Trentino Cooperazione Solidarieta Internazionale.

Regione Emilia Romagna

Osservatorio Cooperazione Province di Bologna.

L'Istituto per la Cooperazione allo Sviluppo

(Provincia di Alessandria)

Comitato Italiano Citta Unite (Provincia di Torino)

Osservatorio Cooperazione Province di Bologna.

However, not all of these keep a database in which the decentralised cooperation activities of public administrations in their territories can be found.

Private institutions:

Centro Studi di Politica Internazionale (CeSPI)

(Centre for International Political Studies)

<http://www.cespi.it/>

⁸Stocchiero et al. (2005).



CeSPI is a research and training centre focused on carrying out research oriented to the design of policy. Its main subject matter deals with the construction, expansion and performance of the European Union from the point of view of Italian interests and its foreign policy. Similarly, it carries out research activities in other regions including Latin America, Sub-Saharan Africa, the Mediterranean and the Balkans, in part oriented by the analysis of emerging markets.

Besides its technical involvement in the abovementioned information compilation system on decentralised cooperation in Italy, it has carried out various partial descriptive research projects on the cooperation activities of Italian regions, provinces and major cities.

LUXEMBOURG **General characteristics of its territorial cooperation**

The municipalities of Luxembourg have some activity in terms of development cooperation, although Latin America does not appear as its priority operation area.

Description of the entities in charge of collecting information on cooperation activities of territorial administrations

Central Government: Government of Luxembourg

The government of Luxembourg believes that the total amount of activities financed by its territorial administration is small and therefore the effort of collecting information on such activities is not justified.

Institutions in the territorial sphere:

Syndicat des Villes et Communes Luxembourgeoises (SYVICOL)

(Association of Luxembourg Cities and Municipalities)

<http://www.syvicol.lu/syvicol/international/>

SYVICOL has a division committed to promoting the international relations of Luxembourg's local administrations. This division does

not gather information on the international cooperation activities of municipalities, although it keeps some information obtained as a result of its communications with the local authorities. In particular, it is aware of the existence of some municipalities involved in cooperation activities through private financing.

Private institutions:

Action Solidarité Tiers Monde
(Third World Solidarity Action)

<http://www.astm.lu/>

Twenty-five Luxembourg municipalities participate in a network of European cities called "Climate Alliance" which, in Luxembourg, is managed by an NGO called "Action Solidarité Tiers Monde". Luxembourg's activity in this network is focused on the area of the Peruvian and Ecuadorian Amazon. Its actions often give rise to relationships between municipalities in Luxembourg and their counterparts in the Latin American territories mentioned above.

THE NETHERLANDS **General characteristics of its territorial cooperation**

Decentralised cooperation seems to be quite a frequent practice in the Dutch municipal sphere. In fact, CEMR mentions that there are 170 relationships between Dutch territorial administrations and their counterparts in Southern countries. Such activity doesn't seem to be reflected in the Dutch government's ODA statistics, where it is stated that the amounts are too scarce to be taken into account. In any case, it could be the case that the financing for the cooperation activities of Dutch municipalities comes mostly from funds other than the local budget, such as LOGO SOUTH, the Dutch decentralised cooperation support programme, which will be mentioned later.

The decentralised cooperation activity of the Dutch municipalities with Latin America is quite high, although this does not seem to be the main area of operation. This fact arises from the comparison of the 24 decentralised cooperation relationships found up to now by the OCD, with the 170 relationships mentioned above.

According to the information available to Interprovinciaal Overleg (Netherlands Association of Provinces), Dutch provinces are involved in cooperation activities in China, Asia, Indonesia and others. No activity whatsoever was found with Latin America.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central government: government of the Netherlands

The Dutch government believes that the total amounts of activities financed by its territorial administration is low and therefore the effort of collecting information on such activities is not justified.

Institutions in the territorial sphere:

VNG International

(International department of the Association of Netherlands Municipalities)

<http://www.vng-international.nl/docs/bpwebsite.asp>

VNG International is the organisation in charge of the international relations of the Association of Netherlands Municipalities. Among its many activities, it manages 2 decentralised cooperation programmes financed by the Dutch government. The first one is LOGO SOUTH, a co-financing programme supporting exchanges between Dutch municipalities and their partners abroad. The possible target countries include Nicaragua, Guatemala and Bolivia. The second programme is aimed at supporting the performance capacity of the associations of municipalities, which is carried out in close collaboration with United Cities and Local Governments.

With regard to the collection of information, a database is available on their web page listing the partnering relationships between Dutch municipalities and the rest of the world.

The characteristics of such information collection are as follows:

They maintain a database containing the partnership relationships between Dutch municipalities and the rest of the world. This data also shows whether it is an isolated activity or a twinning relationship.

The abovementioned list provides access to an outline of the project written in the Dutch language, which includes some specifications of the thematic field of the specific activity, the year the relationship started and the contact names in the Netherlands and in Nicaragua. No economic figures are given.

Two questionnaires are sent every 4 years for the collection of information. One is sent from VNG international to all the municipalities to identify the municipalities' official relationships; the second is sent from the International Development Centre to all DNGOs. Both organisations centralise information in the following database: www.stedenbanden.nl

Additionally, the management of the LOGO SOUTH programme and the direct contact with many organisations that are active in international cooperation provide information on any news arising from decentralised cooperation activities.

Finally, a questionnaire is sent by VNG International – also every 4 years – to all municipalities, inquiring about issues connected with the orientation of their cooperation policies.

Private institutions:

Landelijk Beraad Stedenbanden Nederland-Nicaragua

(Rural Municipality Twinning

The Netherlands-Nicaragua)

<http://www.lbsnn.nl>

This is a DNGO that carries out coordination activities between Dutch and Nicaraguan municipalities involved in partnering relationships. A list of relationships is available on its website, which also provides access to the web pages of the relevant institutions which contain detailed information of the specific partnership activity.

PORTUGAL

General characteristics of its territorial cooperation

Portuguese cooperation in general, and decentralised cooperation in particular, is basically centred around Portuguese-speaking countries; therefore, in the case of Latin America, cooperation is mainly centred in Brazil. In fact, of the 42 twinning projects between Portuguese and Latin American territorial authorities listed on the web page of the National Association of the Portuguese Municipalities (ANMP), 88% involve Brazilian municipalities.

On the other hand, although decentralised cooperation activity with Latin America has a certain relevance, the figures calculated by the OECD in terms of territorial ODA do not seem to be so significant. In fact, for 2003 the amount calculated was around 1 million dollars for all international cooperation activities financed by Portuguese municipalities.



Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central Government: Government of Portugal

The Portuguese government has a statistics department in charge of providing information about Portuguese ODA. It also individualises the information that comes from the territorial administrations of the country. According to the OECD, the following are the characteristics of the ODA figures calculated in the past few years:

It is an aggregate amount corresponding to projects co-financed by the central government and the municipalities.

Although a survey addressed to all Portuguese municipalities was conducted in the period 1998-2000, no systematic compilation seems to have been made after that. Indeed, no survey was carried out in 2002 or 2003.

In the future, the collection of information will probably be concentrated in the 18 main municipalities (province capitals) and in the National Association of Municipalities, and it shall be focused on summing up the amounts of specific activities.

Institution of territorial sphere:

Associação Nacional de Municípios Portugueses (ANMP)

(National Association of Portuguese Municipalities)

<http://www.anmp.pt/>

The ANMP has a Department of International Affairs which, among its various activities, carries out international cooperation activities and deals with Portuguese twinning with foreign municipalities. This information is available on its website. Some features of this data compilation are listed below:

In addition to the name of the institutions involved in each twinning, and of the respective countries, the year in which the relationship started also appears.

There is no plan to compile further information on the specific cooperation activities of each municipality. In fact, the available information on twinning is enough for them to publicise municipal cooperation activity.

The last questionnaire sent to municipalities seeking to compile twinning data was sent in the year 2000. A future compilation is expected for 2006.

THE UNITED KINGDOM General characteristics of its territorial cooperation

British municipalities seem to be quite involved in international cooperation activities. In fact, according to CEMR, around 10% of them take part in some activity of this kind.

Although their activities are mainly focused on Africa and southern Asia, some municipalities carry out cooperation activities in Latin America. Indeed, the web page of the Local Government International Bureau (LGIB) includes a database with the twinning relationships of the British municipalities, among which there are 18 involving Latin American municipalities, most of them in Nicaragua.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central government: government of the United Kingdom

The British government believes that the total number of activities financed by its territorial administrations is low and therefore the effort of collecting information on such activities is not justified.

Institutions in the territorial sphere:

Local Government International Bureau (LGIB)

<http://www.lgib.gov.uk/index.html>

The LGIB is the international department of the Local Government Association (LGA), which represents the English and Welsh local authorities, though it also provides support to local government associations in Scotland and Northern Ireland. It is committed to promoting and supporting international cooperation activities, and to giving advice on the elaboration of policies and strategies for the international actions of British municipalities. Its various activities include, among others, the compilation of information on the decentralised cooperation of the United Kingdom, as described below.

As stated above, a database containing the twinning between British municipalities and their counterparts is available on the LGIB website. The information was obtained by means of a questionnaire sent out in 2004.

SWEDEN

General characteristics of its territorial cooperation

Swedish municipalities participate in international cooperation activities. In fact, SALA IDA – an organisation in charge of the international cooperation of the Swedish Association of Local Authorities – has registered over 200 municipalities with development cooperation activities.

Nevertheless, its sphere of operation seems to be mainly centred in eastern Europe. Although a partnership relationship with Latin America may occasionally be found, this is not a priority geographical area for Swedish decentralised cooperation. Indeed, the program of support for twinning/partnerships among Swedish municipalities and their Asian, African or Latin American counterparts managed by SALA IDA has registered only 1 relationship between a Swedish municipality and its Ecuadorian counterpart.

Description of the entities in charge of collecting information on the cooperation activities of territorial administrations

Central government: government of Sweden

According to the OECD, the Swedish government states that it does not collect information due to the fact that the municipalities do not assign funds to cooperation activities.

Institutions of territorial sphere:

Sveriges Kommuner och Landsting
(Swedish Association of Local Authorities and Regions)
<http://www.skl.se>

The Swedish Association of Local Authorities and Regions is the result of a recent merger between the Swedish Association of Local Authorities and the Federation of Swedish County Councils. This organisation has established a cooperation agency called SALA IDA, described below. It keeps a list of partnerships which is posted on the Internet. Its main characteristics are:

A list may be obtained, arranged in three different ways: by Swedish

provinces, by countries or in alphabetical order by the name of the Swedish municipality.

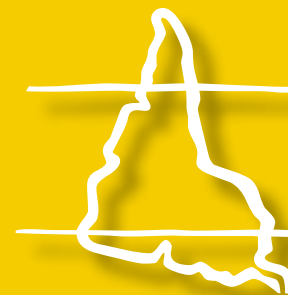
The information displayed for each relationship includes: the name of the municipalities, the country of the foreign municipality, a thematic description of the type of relationship (twinning or project activity), the year the relationship started, the year it ended and the relationship status (active, sporadic, etc). In addition, the alphabetical order list provides access to a contact person of the Swedish municipalities.

SALA International Development Agency (SALA IDA)

<http://www.salaida.se/portal/en>

SALA IDA is the Swedish Association of Local and Regional Authorities (SALAR) organisation committed to the sphere of international cooperation. Its fields of action: the development of institutional cooperation projects, training programmes for municipal officers in Africa, Asia and Latin America, and the management of the twinning support programme with African, Asian and Latin American municipalities, financed by the Swedish Cooperation Agency.

SALA IDA has information on the activities of municipalities that request government funds to finance their decentralised cooperation activities.



1. A GENERAL ASSESSMENT OF THE REGION

An Internet search for aggregate information sources on decentralised cooperation reveals that, in the ten countries of South America considered by the OCD, decentralised cooperation is emerging as a possible source of financing for local development. The websites of some central public bodies in charge of issues connected to development cooperation provide information on the possibilities of assistance offered by the decentralised cooperation of some developed countries, including several European Union members. In terms of the private sector —NGOs, research and investigation centres, etc.— certain countries shows some interest in the phenomenon of decentralised cooperation, whether as an object of research and analysis or as an area in which advice, information on how to have access to this type of decentralised cooperation and technical support for the drawing up and management of projects financed by decentralised cooperation is provided. Nevertheless, the search also revealed that there is no systematic compilation of aggregate data regarding the activity of decentralised cooperation in the countries of South America.

It is worth mentioning that, in the case of South American countries, the search was restricted at this first stage to a review of the websites of those public and private institutions and organisations that were expected to possess aggregate information on decentralised cooperation. As a result, no final conclusions can be drawn from the results of this search with regard to the actual scope of the decentralised cooperation phenomenon on this continent. The generally scarce information available from the institutions reviewed may respond, on the one hand, to the inexistence of decentralised cooperation projects in the country, or, on the other, simply to the fact that this phenomenon has not yet awakened enough interest to generate regular and exhaustive data compilation. It was also concluded that the term “decentralised cooperation” tends to be used to refer to every type of cooperation that reaches entities other than the central government; that is, that it includes cooperation coming from any kind (national, territorial or multilateral, public or private) of donor which is received by public or private territorial administrations (local governments but also DNGOs, associations of actors in the private sector). This diversity

in the definition of decentralised cooperation is another factor that hampers the search for sources of aggregate data.

Nevertheless, it can be said that the aggregate information currently available does not allow an assessment in quantitative terms of the relevance that this international cooperation modality has to local development in these ten countries of South America. Neither may it determine whether the differences in the aggregate information available per country arise from the diverse levels of interest in the phenomenon of decentralised cooperation or from the different levels of access to cooperation in the different countries. Each country receives bilateral or multilateral cooperation on the basis of certain criteria of “need” defined by the donor bodies. In the case of South America, countries with higher access to international cooperation in the year 2002 were Bolivia, Peru and Colombia (Negrón 2004: 25). But what is uncertain is whether or not the differences in access to cooperation for the different countries is the same at a territorial level and in terms of decentralised cooperation. And what the search for aggregate information sources on decentralised cooperation also reveals is that such sources are not reliable and standardised enough among the countries to draw conclusions in that regard.

2. INFORMATION SOURCES

2.1. Central or territorial public administrations

All the 10 countries mentioned in this annex have, at central government level, a body responsible for those issues connected to international cooperation (two in Uruguay and Paraguay). In six of these countries this body is dependent on the Ministry of Foreign Affairs (Argentina, Brazil, Chile, Ecuador, Paraguay, Peru, Uruguay), while it answers to the Treasury in Bolivia, to the Ministry of Planning and Development in Venezuela, and in Colombia it is directly accountable to the Presidency.

Here is a classification of the countries by the amount of information available: (1) those countries which do not post any information whatsoever on the country’s international cooperation projects

⁹Includes Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

on their websites, and also do not identify decentralised cooperation as one of the cooperation modalities in which they are involved; (2) those countries whose websites make some kind of mention of decentralised cooperation, and/or provide some specific data regarding the country's international cooperation projects, which may include decentralised cooperation activities. In no case is data available on decentralised cooperation projects disaggregated from the general information about cooperation activities.

(1) The websites of the following national public administrations do not contain information on decentralised cooperation: the Dirección General de Financiamiento Externo del Vice-ministerio de Inversión Pública y Financiamiento Externo de Bolivia (Directorate-General of External Financing of the Vice-Ministry of Public Investment and External Financing of Bolivia); the Instituto Ecuatoriano de Cooperación Internacional (Ecuadorian International Cooperation Institute); the Dirección de Cooperación Internacional y la Secretaría Técnica de Planificación del Desarrollo de Paraguay (International Cooperation Office and Technical Secretariat for Planning and Development of Paraguay); the Agencia Peruana de Cooperación Internacional (Peruvian Agency for International Cooperation); the Dirección General de Cooperación Internacional del Ministerio de Relaciones Exteriores (Directorate-General of International Cooperation of the Ministry of Foreign Affairs) and the Dirección de Proyectos de Desarrollo de la Oficina de Planeamiento y Presupuesto (Development Projects Department of the Planning and Budget Office) of Uruguay; and the Dirección General de Cooperación Técnica Internacional (Directorate-General of International Technical Cooperation) of Venezuela.

(2) The following national public administrations provide aggregate information on their websites about the international cooperation received by the country. In general, all data provided allows the identification of which projects — if any — correspond to decentralised cooperation. Nevertheless, it should be taken into account that this is partial information as it is submitted according to the goodwill of the territorial administrations.

Colombia: The web site of the Agencia Colombiana de Cooperación Internacional (Colombian International Cooperation Agency) has a link to a "Cooperation Map" — a database of international cooperation projects classified by department. The information includes the title, a brief description, amounts and funding institutions, but it is not equally complete for all the projects.

Brazil: The web site of the Agência Brasileira de Cooperação (ABC) (Brazilian Cooperation Agency) offers a list of all ongoing projects financed by bilateral international cooperation, but there is very little information about them. The ABC also has a Coordenação General de Cooperação Técnica no âmbito Federativo (Department

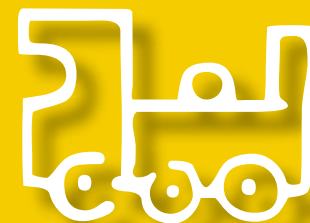
of Coordination of Technical Cooperation in the Federal Area), which would be in charge of decentralised cooperation activities; however, there is no specific information about this type of activities.

Chile: The 2004 Report of the Agencia de Cooperación Internacional (International Cooperation Agency) of Chile mentions the French Community and the Walloon Region and the Belgian Flemish Community as sources of technical cooperation. However, the activities financed by this cooperation and referred to in this document are basically missions of scholars and professionals, research scholarships or technical assistance to sectorial projects at a national rather than a municipal level. The 2004 Report also makes reference to a Memorandum of Understanding signed with Catalan cooperation in 2001, but it provides no further details on the specific projects or activities performed within the framework of this. nor does it specify if any of them involves Chilean municipal or regional governments.

Argentina: The website of the Dirección General de Cooperación Internacional (DGCI) (Directorate-General of International Cooperation) of Argentina includes a page on decentralised cooperation, which provides information on decentralised cooperation possibilities offered by German federal states, Spanish autonomous communities, Italian regions and Japanese prefectures. The DGCI has released a "Cooperation Map" for the period ranging from 2003 to the first quarter of 2005, which includes a list of projects by province, identifying those corresponding to decentralised cooperation. Nevertheless, data provided by the Cooperation Map is quite scarce (title of the project, recipient, financer). Neither can this report be taken as complete, as it depends on the sending of the respective updated information by the provinces to the DGCI.

2.2. Associations of municipalities

The 10 South American countries have national associations grouping territorial administrations; for example, the Argentine Federation of Municipalities; the Federation of Municipal Associations of Bolivia (FAM); the Brazilian Association of Municipalities and the National Front of Mayors (FNP); the Chilean Municipalities Association; the Colombian Federation of Municipalities; the Association of Ecuadorian Municipalities; the Inter-municipal Coordination Organisation of Paraguay; the Municipalities Association of Peru; the Congress of Regional Governors of Uruguay and the National Network of Mayors of Venezuela. In many cases there are also municipal associations in the territorial sphere; for example the Network of Rural Municipalities of Peru, the Association of Rural Municipalities of Tarapacá in Chile, and so forth. Generally, these associations aim to become an area of action in favour of the general interest of the municipalities, carry-



ing out actions intended to strengthen their role and improve their institutional management. Some of these associations (FAM, FNP) specifically mention international cooperation on their websites, and also their role as advisors for local governments who take part in this kind of assistance. However, none of the associations of municipalities include any aggregate information on their websites on decentralised cooperation activities existing with regard to their members.

The region also has a trans-national coordination of local governments, the Latin American Federation of Cities, Municipalities and Associations (FLACMA), which, among other things, is in charge of “serving as interlocutor and link” between local governments “with the intention of developing decentralised cooperation and promoting international understanding”. However, there is no aggregate information available about decentralised cooperation activities carried out by its members in this case either.

2.3. Private organisations

Several private organisations integrating decentralised cooperation in some of their lines of work – basically NGOs and research and investigation centres – were identified within the 10 South American countries. This issue may be integrated in three different ways: at the level of research and investigation centres, decentralised cooperation emerges (1) as an object for research in some graduate courses on international relations or (2) as a subject for conferences or publications; there are also (3) research centres or NGOs specialised in providing information and advice to local governments regarding access to decentralised cooperation. However, in no case do the websites of such institutions have aggregate and thorough information bases covering the decentralised cooperation activities existing in their countries or regions, although in many cases there are documents that compile the best practices or analyse decentralised cooperation experiences in certain countries or regions.

The following are some of the institutions which include decentralised cooperation in their curricula:

Universidad Nacional de Catamarca (National University of Catamarca) (Argentina): International Cooperation Update Seminar (June 2005)

Centro de Estudios Interdisciplinarios y el Centro de Estudios de Relaciones Internacionales de Rosario de la Universidad Nacional de Rosario (Interdisciplinary Research Centre and International Relations Research Centre of the National University

of Rosario) (Argentina); Masters in Integration and International Cooperation

La Facultad de Economía de la Universidad de Manizales (Faculty of Economics of the University of Manizales) (Colombia); Diploma in Managing International Development Cooperation Projects.

Institutions that held conferences or published literature on the subject of decentralised cooperation:

Centro Boliviano de Estudios Multidisciplinarios (Bolivian Centre for Multidisciplinary Research) (CEBEM), a non-profit association devoted to multidisciplinary research and teaching at a post-graduate level in the area of social sciences; in September 2003 it organised a seminar on “Achievements and challenges of decentralisation in Latin America: The role of the European cooperation”.

The Regional and Local Development Program of **FLACSO-Chile** co-organised the “Conference on regional development and international cooperation” in April 2005.

The **Instituto de Relaciones Internacionales de la Universidad de Viña del Mar** (International Relations Institute of the University of Viña del Mar (Chile) published a book in August 2005: **La inserción internacional de las regiones y los municipios: Lecturas sobre gestión de cooperación descentralizada** (International insertion of regions and municipalities: Articles on the management of decentralised cooperation).

Universidad Católica Sedes Sapientiae (Sedes Sapientiae Catholic University) (UCSS) of Peru is the local counterpart of a development project of the educational and business areas of the Northern Cone financed by the decentralised cooperation of the Lombardy Region (Italy). In March 2005 it organised a meeting “Challenges and expectations for development in Peru: contributions of international decentralised cooperation”.

Institution providing information and advice to local actors:

Fundación Grupo Innova (Argentina); its Municipal Public Policies Advisory Programme includes the issue of International Cooperation, and one of its aims is to provide information, advice and professional training to local authorities on subjects regarding the possibility of having access to international funds.

Instituto para o Desenvolvimento da Cooperação e Relações Internacionais (Institute for the Development of International Relations and Cooperation) (IDECRI, Brazil) offers advice and services to local governments to promote their international insertion; its lines of work include the training of public officers in international relations and international decentralised cooperation.

Since 2004, the Local and Regional Development Programme of **FLACSO-Chile** has developed training, technical

assistance and consultancy activities for the Chilean Association of Municipalities, the Rural Municipalities Association of Norte Chico and the Rural Municipalities Association of Tarapacá.

Grupo Propuesta Ciudadana (Citizen Proposal Group of Peru); a coalition of NGOs with two websites directly connected to decentralised cooperation:

(1) **Coopera Región**, which forms part of the project “Strengthening the Role of Civil Society and of the Decentralised Management of International Cooperation”, and that seeks to consolidate the capacities for the management of international cooperation of local and regional governments, incorporating the innovative experiences put into practice in many countries; it offers a “Manual for the decentralised management of international cooperation”.

(2) **Fundraising**, a joint project between SNV Peru and Nakuy Development Gateway, designed as a guideline to advise municipalities, grassroots organisations and non-governmental organisations about the possibilities of obtaining resources from international cooperation to finance local development projects.

2.4. Embassies and offices of European cooperation agencies in South American countries

On confirming that the search through the public and private, territorial or central government level of the 10 countries of South America yielded little results in terms of aggregate information sources on decentralised cooperation activities, it was decided in addition to check the websites of the embassies and of the offices of European cooperation agencies in such countries.

Though 65 percent of the embassies’ websites offered information about cooperation between their country and the host country, sometimes including data on projects and amounts, specific data on decentralised cooperation projects was found only in three cases. **The Italian Embassy in Brazil** has a specific section on decentralised cooperation where it provides information on the projects developed by the Region of Emilia Romagna and the Comune di Torino. The French embassy in Bolivia mentions, with no further details, a technical cooperation agreement between the cities of Nantes and Cochabamba and the cooperation between local authorities of Alsace that are members of the IRCOD (Development Cooperation Regional Institute) and the city of Oruro. The website of the French

embassy in Peru includes a page about decentralised cooperation containing a list of the four main decentralised cooperation projects of 2004 and 2005.

Regarding the review of the websites of the offices of European cooperation agencies, the **Spanish International Cooperation Agency (AECI)** is the only one that offers, in some cases, information on decentralised cooperation projects. The Technical Cooperation Offices (OTC) of the AECI have websites in Bolivia, Colombia, Ecuador, Peru, Uruguay and Venezuela. The OTC for Venezuela is the one that contains the least information, offering no data on projects financed by Spanish cooperation (whether national or local), and it only makes generic references to decentralised cooperation as a possible source of financing. The AECI websites for **Ecuador** and **Peru** offer detailed information on ongoing cooperation projects managed by the AECI in these countries, and the data on sources of financing and counterparts allows the identification of those pertaining to decentralised cooperation, though in the case of Peru the files are missing for some projects. In turn, the AECI website in Bolivia includes a list of all the cooperation projects in the country, with detailed information (name, goals, lines of activity, counterparts, term of execution, amounts, names and e-mail contacts of the project’s coordinators in Bolivia). It also has a specific page on decentralised cooperation, defined as “the cooperation of autonomous governments, whether regional (of the Autonomous Communities), or provincial, by means of the Provincial Council or municipalities”, and it confirms that there are many decentralised cooperation actors in Bolivia who carry out development activities throughout the national territory. However, the information on these development activities is not available on the website, but the OTC has an individual specifically in charge of monitoring this cooperation modality. The AECI website in Uruguay has a page on Official Decentralised Cooperation Projects, containing an outline of the projects between the Municipality of Montevideo, and the Government of Andalusia, and the Municipality of Colonia and the Government of the Community of Valencia. Lastly, the AECI website for Colombia has a specific section about decentralised cooperation, defined as the “cooperation coming from Spanish Autonomous Communities, Provincial Councils and Municipalities” which provides information about all projects financed by such Spanish subnational entities in Colombia for the years 2002, 2003 and 2004. However, the information is quite scarce in some cases (only the year, area and budget) without identifying those projects which involve local governments specifically.



1. A GENERAL ASSESSMENT OF THE REGION

Some important municipalities of Central America and Mexico have obviously received Decentralised Cooperation, both in a bilateral (municipality-municipality or region-municipality) and a collective form (several municipalities of Latin America with municipalities or regions of the European Union, as well as with the participation of external partners). However, the records regarding such experiences are not regularly posted on the web page. In fact, there is no body in the region (public or private) providing a systematisation and recording process in order to categorise municipal activities in the field of decentralised cooperation.

Information is therefore quite scattered, so the on-line records had to be tracked down site by site, municipality by municipality, NGO by NGO. In some countries there are few international cooperation bodies (embassies or non-governmental organisations, NGOs) who keep records on decentralised cooperation. The same thing happens with DNGOs. Most of these records are rather too general or incomplete; experiences are not wholly documented and, occasionally, contact references are scarce.

In most cases it is generally the municipality or organisation that registers the cooperation or twinning activities. However, “donors” contributing to a specific activity are registered as partners, but not included in a separate section exclusively devoted to decentralised cooperation. Most of this information is contained in sections dealing with financing mechanisms and not as part of an effort to sort the flow of decentralised cooperation resources.

Even regions like the Federation of Municipalities of the Central American Isthmus (FEMICA) do not deem decentralised cooperation to be an important association or element of integration between municipalities from different regions. References made to this kind of contribution may be found when identifying the sources of funds or donations, or the entities who sponsor projects. However, no further information about the operation of this cooperation is available.

2. INFORMATION SOURCES

2.1. Central or territorial public administrations and seats of European governments

In all the countries of the region there is at least one entity responsible for issues connected to international cooperation. In most cases, the body in charge is affiliated to the Ministry of Foreign Affairs, though it is sometimes included in the Ministries of Planning or Economy and Finance.

In this regard, a first classification of the countries by the degree of information available on the electronic sites of the respective Ministries of Foreign Affairs can be made. First there are those countries whose websites include no information whatsoever about the country’s international cooperation projects, nor do they identify decentralised cooperation as one of the modes of cooperation in which it is involved (Panama, Honduras, Guatemala and Costa Rica). On the other hand, there are those countries whose websites contain some mention of decentralised cooperation, and/or provide specific data on international cooperation projects in the country, in which decentralised cooperation activities may be included (Mexico, El Salvador and Nicaragua). In no case is data on decentralised cooperation projects isolated from the general data on cooperation activities. A description of the above sorted by country follows.

Nicaragua (offers a certain degree of information): There are four bodies in the national sphere which, in one way or another, compile information about decentralised cooperation: a) the Ministry of Foreign Affairs and its various arranging and systematisation systems of bilateral cooperation flows; b) certain offices of diplomatic representation that provide information on the subject on their websites; c) the representation of the European Union in Nicaragua; and d) the Nicaraguan Institute of Municipal Development (INIFOM).

¹⁰Mexico, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama and Cuba.

Of course, each of these three bodies gives a different priority to decentralised cooperation. The first two bodies (the Ministry and embassies, as well as EU diplomatic representation) highlight information on official development cooperation. However, in a few cases they provide documentation on decentralised cooperation. Such information is often either too general or barely mentioned. Little detail is provided on the dates of commencement and conclusion, amounts, partners and documents so as to allow a deeper analysis of the event.

INIFOM, in turn, includes general information (even a map updated in 2005) on its web portal of the twinning of Nicaraguan municipalities. Nevertheless, information is mainly referential and it is not possible to go deeper into the contents of the twinning. Similarly, it provides a list of the international agreements entered into. The information is not complete and, besides, no links to make any further contact are provided.

Costa Rica (provides no information): In the national sphere, there is not even one governmental body that collects information on the matter of decentralised cooperation and even the Federal Institute of Municipal Affairs (IFAM) keeps no records of decentralised cooperation.

The web site of the European Commission's Delegation to Costa Rica and Panama is the one presenting a superficial record of certain decentralised cooperation activities. However, the information provided is too general and there is no information on the dates of commencement and conclusion, amounts, partners and documentation, allowing for a more detailed analysis.

Guatemala (provides no information): In the national sphere, the only reference made by the Ministry of Foreign Affairs has to do with a speech of the Ambassador Mr. Edgar Gutiérrez Girón, Minister of Foreign Affairs of Guatemala, during the signature of the Agreement of Protection and Promotion of Investments with the Government of Italy.

The Institute of Municipal Development has a portal where only activities and projects carried out through external cooperation are posted. Nevertheless, it makes no distinction between official, bilateral and decentralised cooperation. INFOM only systematises as far as it is involved itself. Also, most information is not updated.

Among the diplomatic representations, it is perhaps Italian cooperation that offers the most information about cooperation in general and decentralised cooperation in particular.

El Salvador (provides a certain degree of information): In the national sphere, the Ministry of Foreign Affairs, through the Directorate-General of External Cooperation (DGCE) mentions a list of decentralised cooperation projects performed through different local governments of Europe.

Apart from this Ministry there are three other entities that, in one way or another – partially or particularly- compile information on decentralised cooperation: a) the Ministry of Foreign Affairs and its different systems for the classification and systematisation of bilateral cooperation flows; b) some diplomatic offices post some information on the matter on their websites; c) the European Union representation in El Salvador; and d) the El Salvador Municipal Development Institute (ISDEM). The latter, while it mentions its donors – mostly European municipalities or city councils – it makes no reference to decentralised cooperation or to its factual projects.

Of course, each of these three entities gives different priority to decentralised cooperation. The first two (Ministries and embassies, as well as the EU diplomatic representation) prioritise the information on official development cooperation; nevertheless there is sometimes some documentation on decentralised cooperation. Such information is often either too general or barely mentioned, with few details of dates of commencement or conclusion, amounts, partners and documents allowing for a deeper analysis on the matter.

Honduras (provides no information): In the national sphere, unlike the rest of the Central American countries, the Ministry of Foreign Affairs makes no reference to decentralised cooperation on its web page. The Technical Secretariat for International Cooperation (SETCO), assigned to the Presidency of the Republic, makes some reference to decentralised cooperation, but this is very scarce.

Besides this Secretariat some entities can also be mentioned that, in one way or another – partially or particularly – gather information on the matter of decentralised cooperation: a) diplomatic offices that post information in that regard on their websites; and b) the European Union representation in Honduras.

Panama (provides no information): In the national sphere, the Ministry of Foreign Affairs makes no reference whatsoever to decentralised cooperation in its website. International cooperation is mainly connected to the Ministry of the Economy and Finance, however no records are found in this institution.



Some entities can also be mentioned that, in one way or another – partially or particularly – gather information on the matter of decentralised cooperation: a) diplomatic offices that post information in that regard on their websites; and b) the European Union representation in Panama.

Mexico (provides a certain degree of information): In the national sphere, the Secretariat of Foreign Affairs holds – through the Directorate-General of Political Coordination (DGCP) – an area of contact with the main political actors including the Legislative and Judicial Power and with the main departments of the Federal Government, as well as with the local governments of Mexico. The Secretariat offers an outline making special reference to the issue of municipalities in the following address: (<http://portal.sre.gob.mx/enlacepolitico>)

This Office meets on a permanent basis with local government representatives to coordinate the subscription of twinning agreements or the proceedings of Cooperation agreements, donations, meetings and promotions. Similarly, the Directorate-General of Political Coordination provides its support with the intention of promoting international activity in local governments in what is known as the new federative diplomacy driven by the Secretariat of Foreign Affairs. Moreover, this Office carries out activities together with local administrations, such as: a) promotion and monitoring of twinning agreements; b) workshops

on twinning agreements; c) drafting of reference documents; d) rapprochement with state and municipal officers; and e) coordination of trips and visits.

On the other hand, although the Secretariat of Social Development has a mechanism to coordinate the formulation and monitoring of social development agreements and coordination agreements, as well as the several coordination instruments that the Secretariat has in the federative entities, municipalities and social and private organisations, it has not established any mechanism to record and monitor decentralised cooperation activities. The situation of the National Programme for Human Development (PNDH) is similar, offering information on human development indicators in Mexico at national, state and municipal level, but making no reference to decentralised cooperation.

In addition to this, some access to information is provided on the page of the European Union in Mexico, as well as on other pages of European countries' embassies.

2.2. Associations of municipalities

Almost all the countries of this region have national associations gathered in municipal governments. In addition, there is a Federation of Municipalities of the Central American Isthmus (FEMICA).

Table 3: Inter-municipal federations in Central America

Country	Total Municipalities	Municipal Organisationl	Total Associated Municipalities	Total Inter-municipal Federations
Guatemala	331	ANAM	331	23
Costa Rica	81	UNGL	77	12
El Salvador	262	COMURES	262	14
Honduras	298	AMHON	298	18
Nicaragua	152	AMUNIC	152	10
Panamá	74	AMUPA	74	2
Central America	1.198	FEMICA	1,198	79

Source: www.femica.org.

There is also a transnational coordination of local governments in the region — the Latin American Federation of Cities, Municipalities and Associations (FLACMA), focused on “serving as interlocutor and link” between local governments “with the purpose of developing decentralised cooperation and promoting international understanding”. However, in this case there is also no aggregate information about decentralised cooperation activities undertaken by members. A description by country providing further details on the matter follows.

Nicaragua: It is not easy to identify which organisations are in charge of gathering information on decentralised cooperation in the local sphere. Some slight references may be found on the website of the Association of Municipalities of Nicaragua (AMUNIC). However, the information is not concrete, precise or exhaustive. Despite the existence of several departmental municipal associations, most of them do not have a website. Those that do, like the Association of Municipalities of Rio San Juan (AMURS), make no reference to decentralised cooperation. Even the web page of AMURS, where it is stated that the page was created due to the twinning they have with Nuremberg, no reference whatsoever is made to decentralised cooperation. There is a list of twinning projects, but no further information.

Nevertheless, through a review of the websites of the municipalities of the departmental capital cities and of those that have portals on the Internet we would find some information on the matter, but there is no organisation that collects information from all the municipalities

Costa Rica: It is not easy to identify which organisations are in charge of gathering information on decentralised cooperation in the local sphere. The site of the National Union of Local Governments does not mention this type of cooperation. Like other countries in the region, despite many associations or federations of municipalities having been established, most of them do not have a website. Even in those cases where some kind of decentralised cooperation support is known to exist, it is not recorded as such.

A municipality by municipality review would reveal more information on twinning; however, such information makes reference solely to the relevant municipality, partially and without many details.

Guatemala: The increase of decentralised cooperation has been quite relevant in Guatemala, particularly in the last ten years.

However, it is not easy to identify which organisations are in charge of gathering information on cooperation of this kind.

Like other countries in the region, despite many associations or federations of municipalities having been established, most of them do not have a website. Even in those cases where some kind of decentralised cooperation support is known to exist, it is not recorded as such. A municipality by municipality review would reveal more information on twinning; however, such information makes reference solely to the relevant municipality, partially and without many details.

El Salvador: There are at least four entities in the territorial sphere that offer a certain degree of information about decentralised cooperation, although this is partial, scarce and on many occasions is not registered as such but as international cooperation, ongoing projects or aid or solidarity funds. The Web Portal of Local Development is an enterprise of the Corporation of Municipalities of El Salvador (COMURES) jointly with other institutions and organisations of international cooperation (USAID, GTZ and RTI).

COMURES’s official website posts general information on international cooperation in certain projects, and combines official cooperation data with that of decentralised cooperation. Information is not exhaustive but partial. On the other hand, ISDEM offers a certain degree of information, but there is only a list of entities offering cooperation. The same is true of the portal of the organisation Citizen Observatory, where a search engine on local development is offered. Some data on decentralised cooperation activities may be found throughout the site, but the search engine combines news, projects and international cooperation agencies, so that the information is partial and quite broad.

Honduras: In the subnational sphere, the national body in which municipalities associate — the Association of Municipalities of Honduras — has no information on decentralised cooperation. Furthermore, although there are currently around fifty (50) county council districts which encompass around 91% of all Honduran municipalities, very few of them have a website, and if they do, they offer very little information on decentralised cooperation.

Panama: The body in which municipalities associate in the territorial sphere — the Association of Municipalities of Panama (AMUPA) — has no information on decentralised cooperation; moreover, access to its website is not easy.



Mexico: it is possible to identify the following entities: the Association of Local Authorities of Mexico (AALMAC); the Association of Municipalities of Mexico (AMMAC) and the Federation of Municipalities of Mexico (FE NAMM); the National Conference of Municipalities of Mexico (CONAMM); the Municipalist Citizen Assembly and the Centre for Communal Services Heriberto Jara, A.C (CESEM). However, coverage on the subject of decentralised cooperation is scarce.

On the other hand, as stated above, the Republic of Mexico consists of 31 federal states, and each of them has its own organisation and mechanisms for supplying information. In that respect, it is possible to find a source of information on the website of each state and its respective divisions, as well as on each website of the municipalities that make up each of these states.

2.3. Private organisations and degree of coordination

Several countries under study allow the identification of private organisations - basically NGOs and centres of study or research – who have incorporated decentralised cooperation into some of their lines of work, or who have participated in the execution of projects together with European regions or city councils. However, none of the websites of these institutions keep exhaustive aggregate databases on the existing decentralised cooperation activities in its country or region. Moreover, the degree of coordination between the different organisations is quite low.



Annex 4

Meeting of institutions from Spain, France and Italy (Barcelona, December 2005)

A first meeting was held last December 2nd in Barcelona of those in charge of collecting information on decentralised cooperation in the main European countries active in Latin America. The representatives of the Ministries of Foreign Affairs from Italy, France and Spain were present, in addition to the main actors in decentralised cooperation from each country: the Interregional Observatory for Decentralised Cooperation in Italy, United Cities of France, the Spanish Federation of Municipalities and Provinces and the Confederation of Funds for Cooperation in Spain. The meeting was also attended by the OECD -which has been working on a report on the official development assistance of the territorial com-

munities- and by the United Cities and Local Governments through its specialised decentralised cooperation committee.

The meeting was intended to provide a space for counterpart institutions to exchange experiences and ideas about the collection of information on the cooperation of territorial authorities beyond the national contexts. Throughout the discussion, the attendees took stances regarding the various goals to be achieved by the collection of information. This will enable work to be done on shared interests in order to define a common minimum that will facilitate the comparison of data and its use for research and action.





Analysis of Local Decentralised Cooperation

An approach to decentralised cooperation relationships between the EU and Latin America

KEY WORDS

*Decentralised cooperation |
Paradiplomacy |
Subnational governments |
EU-LA bilateral relationships |*

The objective of this article is to analyse the first data on public decentralised cooperation between the European Union and Latin America gathered by the Observatory by featuring the main type of links established between subnational governments of both continents, including examples of each link.

In addition, there is a thorough analysis of bilateral institutionalised relationships (twinning, bilateral projects and relationships between associations of municipalities) located in the search and systematisation process carried out in the year 2005. It also includes an analysis of the links and participants based on geographical distribution and the type of institutions, based on which the main tendencies in public decentralised cooperation relationships between the European Union and Latin America are identified. Finally, the main conclusions of the research are presented, and some hypotheses for future investigations are put forward.

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1. Introduction and prior considerations

This article represents the first effort of the Observatory to display the main results of the ongoing collection and systematisation of information on public decentralised cooperation between the European Union (EU) and Latin America. This analysis is not intended to be complete, as the data available is incomplete, but it does aim to feature a first global view of the decentralised cooperation phenomenon between both regions. This approach is based on the review of the number of relationships existing between subnational governments of the EU and Latin America, and on the review of the role of the actors involved in this phenomenon. The analysis of the contents of each activity, the resulting financial flows and an assessment of their impact is left for future research.

A brief revision of the literature on decentralised cooperation is enough to realise the complications implied in calculating the dimensions of this phenomenon, mainly because of two elements: the difficulties in finding a precise definition of the concept of “decentralised cooperation”, and the difficulties implied in the processes of information collection.

Difficulty in finding a precise definition of the phenomenon is inherent to the study of decentralised cooperation. This article does not intend to go deeper into the debate of such a definition¹, although it may be clarified that the relationships analysed in this article meet the most restrictive characteristics of most definitions, as only relationships involving subnational governments of the EU and Latin America have been included.

Consequently, this analysis does not take into account intra-regional decentralised cooperation (among which intra-European border cooperation practices stand out).

Section 2 presents a typology of decentralised cooperation relationships and includes examples portraying each type of relationship. It should be noted that this classification comes from the intention of separately analysing the data of bilateral relationships (that is, between a public administration of the EU and another of Latin America) and multi-institutional initiatives (between several institutions of both continents).

Section 3 is focused on analysing the methodology for the collection of information implemented by the Observatory. Processes for information collection are quite complex due to the large amount of information and its lack of centralisation. Furthermore, the conceptual lack of definition implies that the few institutions dedicated to systematising information are based on disparate criteria. Therefore, any attempt to classify the decentralised cooperation phenomenon is extremely complicated.

Section 4 provides an analysis of the data on bilateral relationships systematised so far on the basis of different parameters: a) geographical, based on the analysis of the cooperation relationships by country of destination and origin; b) administrative, based on the study of the relationships in terms of the levels of administration involved; and c) population, classifying decentralised cooperation activities based on the population of the municipalities involved.

¹See María del Huerto Romero: “A contextual and conceptual approach to decentralised cooperation”, in “Tejiendo lazos entre territorios” (Forging links between territories) by Víctor M. Godínez and María del Huerto Romero, Barcelona Provincial Council and Municipality of Valparaíso, 2004.



Lastly, some reflections are presented that are not intended as absolute conclusions but to serve as an initial approach to the study of the decentralised cooperation relationships between the EU and Latin America, in the hope that they may serve as a starting point hypothesis for future research.

2. Relationship typology

This section aims to characterise the main types of relations detected in the analysis of the decentralised cooperation phenomenon. Relationships can be classified into two main groups: institutionalised bonds and informal bonds.

Institutionalised relationships may be bilateral or pluri-institutional. In turn, various types of relationships may be identified: among bilateral relationships we find twinning, bilateral projects and relationships between associations of municipalities; and in pluri-institutional relationships there are the networks and projects with more than two institutions involved. Apart from institutionalised relationships, it is worth mentioning the role of informal relationships, hardly quantifiable but extremely relevant.

2.1. Institutionalised bilateral relationships

2.1.1. Twinning

Jean Bareth, one of the founders of the Council of European Municipalities and Regions, defined twinning as “the encounter of two municipalities who decide to make their union public in order to ... contrast their problems and to develop increasingly closer bonds of friendship between them.” (Council of European Municipalities and Regions 2005).

Twinning practice emerged after the Second World War, especially between mu-

nicipalities of France and Germany. They are born from the will of the municipalities to open to the outside, offering a privileged framework for contact with cities of other countries.

Twinning has three characteristic elements (Laurent 2000):

- symbolic value: a friendship relationship that is usually made tangible in the form of political support or cultural exchanges, and that may often lead to specific projects;

- citizen involvement: not only city councils play a key role with the approval of the twinning in a Plenary session, but the contributions of citizens are also essential for twinning to meet its objectives. It is a commitment of the elected authorities as it is executed through the agreement of the council, but citizens are also bound by it; and

- continuity: twinning is characterised not by having a lifespan that is limited to a few years but for being long-lasting relationships.

By means of example, the Nicaraguan municipalities have been particularly active in twinning relationships with their European counterparts. In the case of Austria, as pointed out by CHICA (Coordination of Twinning and Initiatives of Austrian Cooperation) most twinning projects were established in the 1980s as a result of the solidarity movement following the beginning of the Sandinist revolution. An example to be mentioned of the relationships created between both countries is the twinning between Salzburg and Leon, in force since 1984. This initiative started through contacts between groups of people of both municipalities, and was made concrete through an agreement between both town councils. The partnership is based on an association of grassroots groups who dis-

cuss new projects and put both institutions in contact. The relationship between public administrations takes place through the direct involvement of both mayors and municipal representatives within the association. The city council of Salzburg finances the initiatives executed. The twinning project has also established contacts in different institutional spheres and in civil society, for example there are associations of neighbours, of groups of young people, day-care centres and universities. Throughout the 22 years of the twinning, a total of 17 initiatives have been implemented, including a drainage system to improve the sanitary conditions of León.²

Although it is less common practice, twinning between regions also exists. The characteristics are the same as described above, with the peculiarity that the sphere of the institutions involved is regional.

The state of Jalisco, Mexico, has signed twinning agreements with states, provinces and regions in other countries which promote a framework for cooperation in areas of common interest. Relationships are based on working committees made up of individuals representing different segments of the cooperating communities in order to achieve the active participation of Jalisco's society in the twinning agreements. The state government acts as an institutional link between the twinned territories and is responsible for monitoring the twinning agreements and for furthering exchanges in specific areas to the benefit of the regions. With reference to Europe, Jalisco has signed agreements with Bavaria in 2000 and with Andalusia in 2001. The thematic fields of the relationship with Bavaria are: business cooperation, science and technology, economy and professional training, and with Andalusia: education, regional development, women and family development, culture

and historical heritage, tourism, rural industry and the agro-food industry, business cooperation and local development.³

2.1.2. Bilateral projects

Bilateral projects are one of the most common links. This type of relationship establishes a direct bond between two local and/or regional administrations and, unlike twinning, is based on the execution of a specific activity. This implies a larger degree of tangibility. The main characteristics of bilateral projects are:

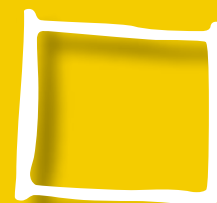
- the existence of a concrete and limited object with an assessable outcome;
- the involvement of authorities of both institutions who take part in the drafting and implementation of the project; and
- a limited term of existence, given that it involves specific projects with a restricted goal and a pre-established date of conclusion.

Surprising as it may seem, some institutions find it hard to distinguish between bilateral projects and other type of links, as bilateral projects are often a consequence of twinning or form part of networks. As discussed later, this entails some difficulties for the systematisation of information.

For example, since the year 2002 the municipalities of Anderlech (Belgium) and Irupana (Bolivia) have been working on a joint project of municipal technical exchange, the sphere of activity of which includes the environment - waste management and water treatment -, local economic development (based on the creation of a web page for Irupana and its region to promote tourism) and social participation. The relationship is based on the intention of creating an egalitarian space for exchange between both institutions. While the Belgian municipality provides knowledge and economic resources to

²Based on information provided by the Partnership Association between the cities of Salzburg-León.

³Source: Government of the state of Jalisco.



alleviate the difficulties of Irupana in environmental and economic development matters, Irupana provides its experience in terms of social participation. The initiative is carried out in partnership with the “Frères des Hommes” NGO, and it is financed by the cooperation support programme of the Belgian Ministry of Development Cooperation.⁴

2.1.3. Relationships between associations of municipalities

Associations of municipalities are organisations in which all municipalities of a given region or country are grouped, which have a vocation for being an instrument for local entities to work together and, at the same time, act as an interlocutor between other levels of the administration. Similarly, these organisations allow the exchange of experiences between municipalities (Confederació de Fons de Cooperació i Solidaritat 2001).

In view of the specificity of associations of municipalities, the relationships between them cannot be included in the aforementioned categories, but should be regarded as institutionalised bilateral relationships. These relationships may have quite a varied nature (from political contacts to technical projects), although they are usually centred on contacts for the exchange of information.

By means of example, the Corporation of Municipalities of El Salvador (COMURES) has been supported by the international department of the Association of Netherlands Municipalities (VNG International) since 2002. The objectives of this collaboration have been the improvement of the provision of services, internal organisation, communication among members and carrying out COMURES lobbying actions. This project is part of the VNG International 2003-2006 support programme for municipal associa-

tions of Central American, African and Asian countries. This programme seeks to strengthen the capacity of the associations to defend their members’ interests in their respective countries, and to improve both the services provided and their international lobbying activities. The programme is financed by the Dutch Ministry of Foreign Affairs, and it is executed in close collaboration with United Cities and Local Governments (CGLU)⁵.

2.2. Pluri-institutional institutionalised relationships

2.2.1. Networks

Networks constitute a flexible instrument in the establishment of trust relationships between different subnational governments⁶. In fact, networks are structures within which the actors involved are united by the fact that they share some characteristic, the nature of which allows the establishment of relationships for the achievement of common goals. Networks have the intention of undertaking joint actions which would be hard to attain should the entities involved work separately. (Hildebrand Scheid 2005).

The main characteristics of networks are: flexibility, which gives them a dynamic feature and a high adaptability capacity; cooperation between peers, given that actors of dissimilar nature interact without establishing hierarchies – only the coordinator is placed on a higher level in order to dynamise the flows of information among the members; and the existence of a shared objective (Hildebrand Scheid 2005).

⁴Source: Municipality of Anderlecht.

⁵Source: COMURES.

⁶Networks may be integrated by quite diverse actors. Despite this, the Observatory is centred on the analysis of networks in which mainly in subnational governments participate.

In terms of networks' objectives, according to Borja and Castells (1997), it may be stated that they usually fit in one of the following categories:

- the consolidation of territorial, economic, political, or demographic spaces, among others for the creation of economies of scale, the generation of added value or the development of infrastructures;
- structuring a lobby system;
- integration into an international system which provides access to and use of an increasing amount of information, exchange of experiences and technologies;
- the achievement of leadership powers; and the integration of its members into higher spaces of activity.

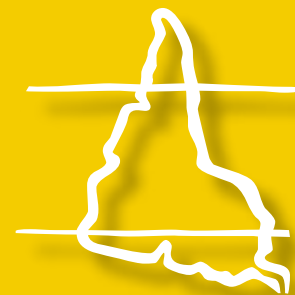
In the case of the "Control of Urban Mobility" network, one of the 13 thematic networks arising in the context of the European Commission URB-AL programme, the focus is on promoting exchanges between Latin America and the EU at different spheres of urban policies. In particular, the subject matter of this network includes all aspects of urban transportation, from the urban and road planning in cities to a more rational management of mobility, furthering the use of sustainable transport such as public transport or bicycles. Currently, the network has 191 associated cities in 31 countries. There are also 63 entities including non-profit organisations, companies, universities and national government bodies. The coordinating city of the network is Stuttgart (Germany), which is a referent in the sphere of mobility both for its status as capital city of a very important region of the automobile industry and for its own experience in the implementation of urban transport policies. The municipal corporation regards participation in

this network as an important investment in the field of its international relations. One of its main goals is to help promote communication and exchange between cities of different countries in order to look for and disseminate innovative solutions in the area of sustainable mobility. Hence, it supports the continuity of the network under the name "Cities for Mobility" extending its scope within and beyond the EU and Latin America. One of its future targets will be to encourage new biomass fuels which, besides reducing the environmental impact of public transport, it is expected will generate jobs within the respective regions.

Another example is the Ibero-American Centre for Strategic Urban Development (CIDEU), established as a "Network of cities linked for strategic planning". This is an association of 68 cities set up in Barcelona in 1993 to share the benefits arising from the monitoring of processes of urban strategic plans (PEU, in Spanish). The main objectives of the network are to promote the social and economic development of Ibero-American cities through PEU, to further reflect on urban strategies and facilitate their dissemination, to structure a network of cities so as to improve their strategic positioning, to foster cultural change in order to incorporate new digital technologies into the PEU and to construct virtual communities.

The network has a coordination team that, among other things, is responsible for organising the exchange meetings among its members, of representing and positioning its interests and offering several services including direct technical advice, training courses and digital exchange platforms⁷.

⁷ Source: CIDEU.



2.2.2. Multilateral projects

This type of relationship also corresponds to projects based on the execution of a specific activity, although, in this case, several institutions of both regions are involved. These relationships are deeply determined by the objective sought, and often originate from an international programme (for example, the URB-AL programme). Therefore, the main characteristics of this type of bond are:

- the existence of a specific and defined purpose with assessable results;

- the involvement of all participating institutions (more than 2) in the project drafting and implementation; and

- a limited time frame; given that they are specific projects, these must have a restricted purpose and an established conclusion date.

For example, the municipalities that make up the Department of Estelí (Nicaragua), are drafting a strategic plan for joint development intended to improve common management processes and to increase their impact at a national level. This is a new initiative in Nicaragua, as it has arisen from the municipalities who make up a department and not as the territorial implementation of a national development plan driven by the Nicaraguan government. The project, coordinated by the Association of Municipalities of the Department of Estelí, has the participation of the Nicaraguan municipalities of Condega, Sanjuán de Limay, Pueblo Nuevo, San Nicolás and La Trinidad, and the European municipalities of Bielefeld (Germany), Sheffield (United Kingdom), Evry (France), Delft (the Netherlands) and Sant Feliu de Llobregat (Spain). All these municipalities are twinned with Estelí and coordinate its activities through an office established by the twinned municipalities⁸.

Another case is the project “Education and training for women”, an initiative created in the framework of the 12 networks of the

European URB-AL programme for “the promotion of women in local decision-making”. It started operations in April 2005, and has an estimated 2-year term. The project anticipates the design and implementation of a plan of political training for women connected with the governance of EU and Latin American local entities (mayoresses, city councillors, women leaders of civil associations, city council technical officers, etc.), in order to favour their active presence and participation in the decision-making processes of their municipalities. The institutions involved in the partnership are the municipalities of Sant Boi (coordinator of the initiative), Asunción, Montevideo, Quito, São Paulo, San Salvador, Torino and Barcelona Provincial Council. Furthermore, there is the Foundation for Peace and Democracy (FUNPADEM) from Costa Rica as a non-governmental organisation. The most significant activities of the project are the design of didactic material for the political training of women, the implementation of pilot presential course in some cities participating in the partnership, and the teaching of on-line courses⁹.

2.3. Informal meetings and relationships

Subnational governments set up one-off meetings fairly frequently. The main characteristic of this type of relationship is its lack of institutionalisation and its short term. They are often part of wider programmes intended to facilitate information exchange.

The number of members and the intensity of the relationship between the institutions involved depend on the objectives sought, although generally the intensity is quite low. Despite the lack of institutionalisation of these types of bonds and, consequent-

⁸Source: City Council of Sant Feliu del Llobregat.

⁹Source: Town Hall of Sant Boi del Llobregat.

ly, the difficulty in quantifying them, it should be highlighted that they are an extremely relevant breeding ground for the establishment of institutionalised relationships. Be that as it may, given the impossibility of systematising these types of relationships, they are not included by the Observatory in this research.

By means of illustration, on October 2005 the “Italian-Chilean Meeting for South American Integration” was held in the Italian Latin American Institute (IILA). This meeting was focused on the exchange of interregional and cross-border cooperation experiences, with subnational governments of both countries as the main actors. The long-term objective of the initiative was to establish a form of cooperation centred on the corridors connecting the Atlantic and Pacific sides of Latin America, with the intention of turning this geographical area into an economic bridge between the European economies of the Atlantic and the Asian economies of the Pacific. In this regard, the contribution of the Italian regions may be relevant based on their experience in terms of decentralised cooperation, and as a nexus between Europe and other Mediterranean countries. The Meeting was chaired by the Centre of International Political Studies (CeSPI) and was attended by region IV of Cochimbo in Chile, the Italian regions of Marche and Toscana, the Interregional Observatory for Development Cooperation (OICS), representatives of the Ministries of Foreign Affairs of both countries, Arturo Prat University and the authorities of the Sub-regional Development Office of the Chilean Home Office. CeSPI and IILA, in collaboration with the Chilean institutions and Italian regions, are working on research into the creation of an international network of regions promoting the integration of South American bi-oceanic corridors. The Italian and European re-

gions may provide these processes with their own experience of collaboration with their neighbour countries in the enlarged Europe in areas such as local development, economic integration, environment, technological innovation, as well as in aspects of a more political nature like the strengthening of subnational institutions, territorial internationalisation and cross-border and interregional cooperation.¹⁰

On June 14-15 2005, in Rosario, Argentina, a meeting was held between inter-municipal structures (or city council districts) of France and the Southern Cone, organised by the Observatory of Changes in Latin America, accountable to the Institute for Latin American Studies, United Cities of France and the Municipality of Rosario. The attendees were 70 representatives of subnational governments and inter-municipal structures from countries of the Southern Cone (Brazil, Argentina, Paraguay and Chile) and 4 French inter-municipal structures. They were very interested in consolidating the management of this type of municipal association, and the meeting served for the attendees to establish links. This initiative is expected to continue in July 2006 with a second meeting in Uruguay (co-organised with the municipalities of Montevideo and Canelones). This seminar is intended to continue with the exchanges initiated in Rosario, to go deeper into the area of public service management and to establish new cooperation bonds between French inter-municipal structures and their counterparts of the Southern Cone¹¹.

3. Methodology for the collection of information

After the first part, focusing on relationships, the following sections will deal

¹⁰Source: CeSPI.

¹¹Source: United Cities of France.



with the analysis of systematised data. However, some clarifications ought to be made as to the difficulties encountered when finding information on decentralised cooperation between the EU and Latin America, such as:

- sources of aggregate information in each country fail to detect an important percentage of relationships, so it is often necessary to seek the information directly from the institutions involved (which multiplies the number of sources to be consulted);
- each institution involved puts in practice its own method of systematising information, so that it is difficult to identify each of the relationships detected;
- the description of activities is not always disseminated, so, occasionally, some relationships may not be precisely characterised or may even be impossible to detect; and
- many institutions do not perform a thorough monitoring of the relationships identified (consequently, updated data is not incorporated and, sometimes, non-existent links are being recorded).

The search for information has been carried out by the staff of the Observatory from the Antennae of Latin America (Montevideo) and Europe (Barcelona), and the sub-antenna for Central America (Costa Rica). The relationships studied here have been detected through the aggregate information sources, including associations of municipalities, central governments and some coordinating organisations of networks of decentralised cooperation activities of some subnational governments. These sources have enabled the identification of a limited number of relationships, therefore an institution by institution search was also conducted.¹²

With regard to the EU, preliminary searches indicate that its new members are hardly involved in any decentralised cooperation activity with Latin America, so the

Observatory has decided to focus on systematising the information regarding the fifteen members of the EU before the last enlargement. All the Latin American territory has been covered by contacts with central governments, foreign delegations and associations of municipalities, although Latin American public administrations – due to the limited resources available – devote less effort to the systematisation of information. Therefore, investigation of this first stage has not been thorough and, consequently, this piece of work allows hypotheses to be formulated but no final conclusions to be drawn.

4. Analysis of bilateral public decentralised cooperation relationships

This section analyses data regarding decentralised cooperation relationships between the EU and Latin America gathered by the Observatory in the last few months. As seen in the foregoing section, the tough task of collecting information does not allow the presentation of complete data, yet it may provide a qualitative and quantitative evaluation of the information available. The analysis of bilateral institutionalised relationships confirms the existence of relevant tendencies on the basis of the geographical origin, administrative level and number of inhabitants of those involved in the relationships.

4.1. Bilateral institutionalised relationships

The evaluation of systematised bilateral decentralised cooperation relationships may be effected from different perspectives. In order to

¹²For more information on the information sources, see Santiago Sarraute's "Towards a map of the existing information between the European Union and Latin America" in this yearbook.

present an in-depth review, an analysis of the links and the respective participants follows.

4.1.1 Analysis of links

a. Geographical distribution

Bilateral relationships between subnational governments in the EU and Latin America so far detected amount to 550 (see Table 1). There appears to be an irregular geographical distribution of links tending towards the concentration of relationships between the EU and Central America. This tendency is more noticeable if we take into account the population and size disparities between the regions.

To understand better what is the actual extent of this concentration of links is, and in order to find an explanation of them, an analysis of the bilateral institutionalised relationships by country is required (see Table 2). This table portrays the large number of bonds from Spain on the European side (216, which represents 39.3% of the whole) and from Nicaragua on the Latin American side (159, that is, 28.9% of the whole). Similarly,

France and Portugal also have a high number of relationships with Latin America. Indeed, in terms of Europe, it appears that five countries (Spain, France, Germany, Italy and Portugal) represent almost 85% of the total of decentralised cooperation bonds detected, while the other 10 EU countries represent scarcely 15%. There is an outstandingly low or null participation of a group of countries (basically the Northern countries, Ireland and Luxembourg). Such tendencies –both of concentration and of shortage – are basically attributable to two elements: the historical and cultural bonds between certain European countries and Latin America, and the political links.¹³

¹³It is impossible to evaluate the exact incidence of each of the elements, but there are tendencies which give a hint of the relevance of each of them. In addition, it should be noticed that the elements intervene simultaneously, and that the existence of one of them does not prevent other criteria – economic, for example – from playing a part.

Table 1: Links between EU – Latin American subnational governments (by region)

Geographical areas	Number of relationships with EU subnational governments	Population (million inhabitants)	Relationships /million inhabitants
Mexico	35	104,3	0,34
Central America* and Cuba	242	46,2	5,24
Región Andina**	64	118,9	0,54
Cono Sur***	209	244,7	0,85
TOTAL	550	514,1	1,07

* Central America includes Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama

** The Andean Region includes Bolivia, Colombia, Ecuador, Peru and Venezuela

*** The Southern Cone includes Argentina, Brazil, Chile, Paraguay and Uruguay.

Source: Own elaboration



Table 2: Distribution of bonds by country

Country	Germany	Austria	Belgium	Denmark	Spain	Finland	France	Greece	Ireland	Italy	Luxembourg	Netherlands	Portugal	United Kingdom	Sweden	TOTAL
Nicaragua	33	11	5		61	1	7	1		4		20		16		159
Cuba					36		12			3			1			52
Mexico	3	1			18		11	2								35
El Salvador					10		2									12
Guatemala	1		5		6		1			2						15
Honduras	1				2											3
Costa Rica					1											1
Brazil	6				7		28	1		21		1	38	1		103
Argentina	3				23		9			11			1	1		48
Uruguay			1		19		1			6			1			28
Chile		1	2		12		10			1		1				27
Peru	1	1	1		4		13	1				2				23
Bolivia	1		5		1		6									13
Colombia					9		2			1						12
Ecuador			2		3		2			1					1	9
Venezuela					2		4						1			7
Paraguay	1				2											3
TOTAL	50	14	21	0	216	1	108	5	0	50	0	24	42	18	1	550

Source: Own elaboration.

Historical bonds between the regions indisputably represent the most relevant aspect. Those bonds arise from European colonial history, although the existence of more recent cultural bonds should also be highlighted. For example, both aspects provide an explanation for the large number of relationships of Spanish subnational governments and the scarce bonds with Brazil, which constitute around 3% of the total.

Historical bonds not only explain the profusion of links between Spanish and Latin American administrations, but also the number of relationships of other countries in southern Europe. The case of Portugal clearly responds to historical and cultural bonds: Portuguese subnational gov-

ernments have a large number of bonds with Latin American administrations, but, unlike Spain, their relationships are mainly with Brazilian administrations (around 90% of the whole).

The Italian case seems attributable to cultural bonds, basically due to migratory processes from Italy to Argentina and, to a lesser extent, to Brazil. These two countries encompass around 65% of the total number of relationships existing between Italy and Latin America.

On the other hand, the shortage of bonds between countries of northern Europe and Latin America is attributable to the lack of historical and cultural bonds. This explains the very few relationships detected between subnational gov-

ernments from Denmark, Finland and Sweden and their Latin American counterparts. Likewise, Greece, Ireland and Luxembourg, despite not being northern countries, follow a similar pattern due to the few historical and cultural bonds they have with Latin America.

The other main tendency observed in Table 2 is the impact of political links, the origin of a large number of twinnings between European subnational governments and Cuban and Nicaraguan municipalities. These bonds arise mostly from the political will of the European municipalities to support the Nicaraguan Sandinist movement and the Cuban Revolution (relationships between European subnational governments and Cuba and Nicaragua represent over 38% of all relationships between the subnational governments of both continents). It should be noted that, while Nicaraguan administrations hold relationships with almost all European countries, Cuba receives less international support, which comes mainly from Spain and France.

The impact of political links with the Sandinist movement is especially apparent in three countries: Germany, Spain and the United Kingdom. Spain, the European country with most links in Latin America, concentrates 28% of its relationships in Nicaragua. However, the most outstanding cases are those of Germany (66% of its bonds involve Nicaragua), Austria (80%) and the United Kingdom (89%).

The French case (the second country in number of relationships: 108, 20% of the whole of relationships studied) does not follow the tendencies above. In fact, it is more likely to respond to the French experience of decentralised cooperation activities¹⁴ and, perhaps, to the intention of the French administrations to position themselves in the continent through links established on economic-based criteria.

b. Distribution by type of institutions

In analysing the decentralised cooperation relationships between both countries on the basis

of the administrative level of origin (see Table 3) it emerges that municipalities are the most active actors, as the EU municipal sphere is involved in 83.5% of the bonds analysed, and the Latin American in 93.3% of the cases. However, it should be underlined that it is natural that municipalities be the most participatory in decentralised cooperation initiatives for a merely statistical reason: there are a lot more municipalities than other administrative levels.

Table 3. Distribution of links based on the administrative level of origin.

Spheres of origin	LA Regions	LA intermediate Adm.	LA municipalities	LA metropolitan areas	Total
EU Regions	14	5	27	0	46
EU intermediate administrations	7	5	16	1	29
EU municipalities	0	2	456	1	459
EU metropolitan areas	1	0	14	1	16
Total	22	12	513	3	550

Source: Own elaboration

Table 3 also shows another interesting element: that each administrative level is inclined to establish bonds with institutions of the same level (476 of the 550 relationships, 86.5% of the whole, involve institutions of the same administrative level). In spite of this, some cases show a deviation from this tendency. Although the European administrative levels tend to create bonds with institutions of their same level, the European subnational governments often find no counterpart institutions. That is, the dissimilar Latin American administrative structure “forces” European institutions to establish bonds with different administrative levels. In view of the absence of local supra-

¹⁴*The Ministry of Foreign Affairs has a National Committee for Decentralised Cooperation.*

municipal levels or regions or the shortage of its powers, the European subnational governments who do not find their counterparts “descend” as far as the municipalities to establish decentralised cooperation bonds.¹⁵

Table 4 – Bonds between Latin American municipalities and European supranational administrations

Population spans of LA municipalities (inhabitants)	EU regions	EU intermediate Administrations	EU metropolitan areas
Less than 100.000	6 (22,2%)	8 (50%)	3 (21,4%)
From 100.000 a 500.000	2 (7,4%)	4 (25%)	3 (21,4%)
Over 1.000.000	19 (70,4%)	4 (25%)	8 (57,2%)
TOTAL	27 (100%)	16 (100%)	14 (100%)

Source: Own elaboration

Table 4 shows the type of Latin American municipalities that European institutions establish bonds with. It can generally be stated that they are inclined to look for Latin American municipalities with dimensions similar to theirs. The European regions that establish bonds with municipalities look for cities of over one million inhabitants on 70%

Table 5- Links between municipalities (by population strata)

LA Municipalities population strata (inhabitants)	EU Municipalities population strata (inhabitants)	Less than 100,000	From 100,000 to 500,000	Over 500,000	TOTAL
Less than 100,000		148	91	33	272
From 100,000 to 500,000		48	48	37	133
Over 500,000		7	10	34	51
TOTAL		203	149	104	456

Source: Own elaboration

of occasions. On the other hand, European supra-municipal local administrations (the provinces in Spain, the *conseil général* in France, etc.) when establishing bonds with Latin American municipalities look for those

of less than 500,000 inhabitants in 75% of cases.

It is worth analysing the 456 decentralised cooperation relationships between municipalities of Latin America and the EU separately. Table 5 shows that Latin American and European municipalities of less than 100,000 inhabitants are less active in absolute terms, although this effect disappears if we take into account the existence of a larger number of small municipalities.

In general, there appears to be a slight tendency among Latin American municipalities to establish bonds with smaller European municipalities. This is due to the greater degree of international projection of the European municipalities, while the most internationally active Latin American municipalities are the big cities.

4.1.2. Analysis of participants

After having studied the relationships established, a review of the participants will also help the reader to identify the significant tendencies. Comparison of the number of participants and incidences of participation enables the identification of where actors involved in a greater number of decentralised cooperation initiatives come from and what their presence is in the relationships studied.

As indicated by the participation/participants ratio in Table 6, Central America is the region in which actors participate in most relationships (a ratio of 1.83 indicates that each actor participates in almost two relationships), while European actors are substantially less active (1.32).

¹⁵However, it should be noted that in some cases Latin American municipalities have similar characteristics to those of European intermediate administrations or regions (for example, the Municipalities of Uruguay).

This analysis can also be made by country (see Table 7). The extensive participation of Uruguayan and Nicaraguan subnational governments in decentralised cooperation initiatives can be seen.¹⁶

In Europe the level of activity of Italian (1.52), Spanish (1.44) and French (1.35) actors stands out. On the other hand, in Latin

Table 6- Participants and incidences of participation (by geographical areas)

Geographical areas	Participants	Incidences of participation	Participation/ participants ratios
Europe	418	550	1,32
Latin America	324	550	1,7
Central America, Mexico and Cuba	151	277	1,83
Southern Cone	127	209	1,65
Andean Zone	46	64	1,39
TOTAL	742	1100	1,48

Source: Own elaboration.

America bilateral activity involves mainly actors from Uruguay (14), Nicaragua (2.37), Peru (1.77), El Salvador (1.71) and Bolivia (1.63).

A tendency mentioned above and confirmed in Table 9 underlines that the most active municipalities of the EU are those with less than 100,000 inhabitants (basically as they are the most numerous and therefore this is a statistical effect); on the other hand, it is specifically in South America that municipalities of over 100,000 inhabitants appear more frequently. Taking the number of 100,000 inhabitants as a limit between small and large municipalities, it appears that in Europe only 34.6% of the participant

¹⁶ Over-representation of data is attributable to the intense activity of the Municipality of Montevideo in decentralised cooperation, with 27 incidences of participation..

¹⁷ This table illustrates some of the deficiencies arising from the difficulties mentioned in section 3.

Table 7- Participants and incidences of participation (by country)¹⁷

Country	Number of participants	Number of incidences of participation	Participation /Participants Ratio
Italy	33	50	1,52
Spain	150	216	1,44
France	80	108	1,35
Portugal	33	42	1,27
Austria	11	14	1,27
Germany	44	50	1,14
Belgium	19	21	1,11
United Kingdom	17	18	1,06
Sweden	1	1	1
Netherlands	24	24	1
Greece	5	5	1
Finland	1	1	1
Luxembourg	0	0	0
Ireland	0	0	0
Denmark	0	0	0
Nicaragua	67	159	2,37
Cuba	34	52	1,53
El Salvador	7	12	1,71
Mexico	25	35	1,4
Guatemala	14	15	1,07
Costa Rica	1	1	1
Honduras	3	3	1
Panama	0	0	0
Uruguay	2	28	14
Peru	13	23	1,77
Bolivia	8	13	1,63
Brazil	66	103	1,56
Argentina	34	48	1,41
Venezuela	5	7	1,4
Chile	22	27	1,23
Colombia	11	12	1,09
Ecuador	9	9	1
Paraguay	3	3	1
TOTALES	742	1.100	1,52

Source: Own Elaboration

municipalities have more than 100,000 inhabitants. On the contrary, in Latin America this percentage amounts to 48.7%; this is mostly due to the activity of large South American cities, which encompass 64.2% of the whole municipal activity.

Cuadro 8- Distribución de municipios participantes (por tamaño de población)

Áreas geográficas	Menos de 10.000 habitantes	De 10.000 a 100.000 habitantes	De 100.000 a 500.000 habitantes	Más de 500.000 habitantes	TOTAL
Unión Europea	64 (17,3%)	178 (48,1%)	104 (28,1%)	24 (6,5%)	370 (100%)
América Latina	26 (8,9%)	124 (42,5%)	91 (31%)	52 (17,7%)	293 (100%)
Centroamérica, México y Cuba	13 (9%)	84 (57,9%)	34 (23,5%)	14 (9,7%)	145 (100%)
Sudamérica	13 (8,8%)	40 (27%)	57 (38,5%)	38 (25,7%)	148 (100%)
TOTAL	90 (13,1%)	302 (45,3%)	195 (29,5%)	76 (12,1%)	663 (100%)

Fuente: Elaboración propia.

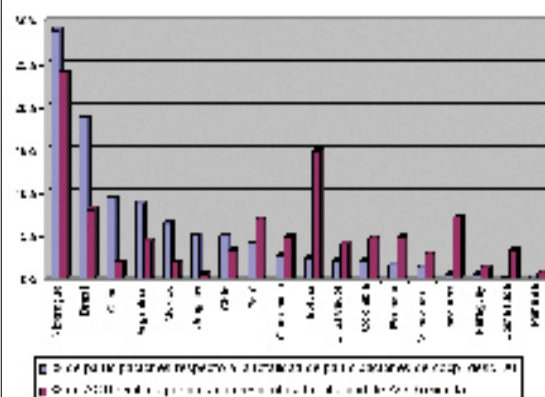
Lastly, it is worth comparing whether participations in decentralised cooperation initiatives respond to a similar pattern as with Official Development Assistance (ODA). Chart 1 illustrates that in the case of Latin America, despite some remarkable similarities, decentralised cooperation and ODA do not follow the same dynamics.

In comparing data on decentralised cooperation initiatives with those of ODA received by the countries of Latin America it emerges that ODA is directed towards Central America and the Andean Zone to a greater degree than decentralised cooperation. Bolivia and Honduras are the clearest examples, receiving an important percentage of the ODA assigned to Latin America (14.9% and 7.2% respectively) while participation in decentralised cooperation initiatives is very low (2.4 % in the case of Bolivia and 0.5% in the case of Honduras). On the contrary, subnational governments of some countries receiving a low percentage of ODA participate in lots of decentralised

cooperation initiatives. The most significant examples are Brazil, Cuba, Mexico and Uruguay, countries with a significantly higher percentage of participation in decentralised cooperation initiatives than in the ODA issued by the EU. However, in some cases a coincidence emerges in the percentage of participation in decentralised cooperation initiatives and ODA received, like Nicaragua, which is the country whose subnational governments participate the most in decentralised cooperation relationships and is also the one that receives more ODA than any other.

The existing imbalance between participation in decentralised cooperation initiatives with EU administrations and the receipt of ODA from Europe seems to be attributable to the disparity between the poverty indexes and the decentralisation levels of each country. In general, the amount of ODA received depends on the level of poverty of the country, while the level of decentralisation is attributable to a wide range of elements.

CHART 1: percentage of participations in decentralised cooperation initiatives and in ODA



Source: Own elaboration from 2003 ODA data from OECD and the Ibero-American General Secretariat

Therefore, there is no direct relationship between decentralised cooperation and ODA.

The analysis of the European case shows that there are similarities between ODA distribution and decentralised cooperation initiatives. In general, the most active subnational governments in terms of decentralised cooperation belong to countries who allocate more resources to ODA. Perhaps Portugal represents the main exception, as it centres its ODA on its old colonies, and as Brazil is one of the most developed countries in Latin America, its ODA percentage in the region is really low.

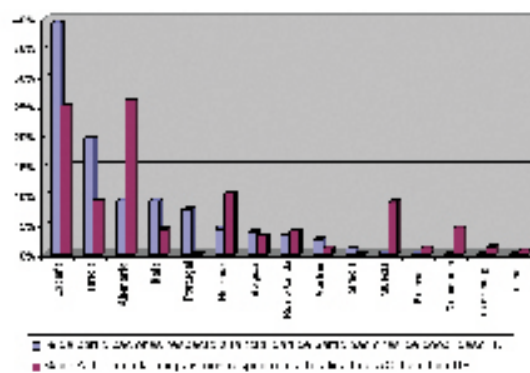
Countries whose subnational governments have a greater participation in decentralised cooperation activities - Spain (39.3%) and France (19.6%), assign a significantly lower percentage to ODA (25.2% and 9.3%, respectively). On the other hand, Germany stands out for having an ODA percentage that is significantly higher than that of decentralised cooperation relationships (26.2% of ODA compared to only 9.1% of total decentralised cooperation relationships with Latin America).

The cases of some countries with little or no decentralised cooperation activity and a significant allocation of ODA (particularly Sweden and Denmark) also stand out. This seems to be attributable to the lack of cultural and historical bonds with Latin America, which leads to the lack of decentralised cooperation initiatives, but it does not prevent the allocation of resources to development cooperation in the country.

Some countries, like Belgium or the United Kingdom, have similar ODA and decentralised cooperation percentages assigned to Latin America.

In general, data from both charts shows that decentralised cooperation and ODA

CHART 2: Percentage of participation in decentralised cooperation initiatives and in ODA



Source: Own elaboration from 2003 ODA data from the OECD and the Ibero-American General Secretariat

respond to different logic, especially in Latin American countries. In terms of the EU there appears to be a slight similarity, although this first analysis leads to no conclusions about the elements giving rise to such similarity.

5. Final reflections

After the analysis of the information found and the identification of the main tendencies in decentralised cooperation relationships between the EU and Latin America, the time has come to reflect on the main aspects of the phenomenon and to draw hypotheses which may serve as a guide for future investigations.

The first sections of this article were intended to characterise the types of relationships established between subnational governments and to progress towards a conceptual homogenisation. Seeking to overcome the difficulties implied by the systematisation of data with regard to a hard-to-define

phenomenon and the large amount of actors involved, a search has been conducted based on data coming from aggregate information sources of both continents through the three Antennae of the Observatory. Similarly, a typology of relationships has been defined based on the participants and the links established between them. Twinning, bilateral projects, relationships between associations of municipalities, networks and pluri-institution projects have been identified as the main types of institutionalised relationships. Future research may implement the creation of a typology based on the actions implemented and the impacts of those initiatives.

The analysis of the information available allows the identification of clear tendencies in relationships between administrations of the EU and Latin America. The ease of identifying the weight of historical and cultural bonds should be noted (as illustrated by Spanish prominence) as well as political links (as shown by the profusion of relationships between Nicaraguan and Cuban administrations and their EU counterparts).

The main conclusion in terms of the analysis of relationships is the existing concentration in Central America (with over five relationships detected per million inhabitants). The analysis of participants makes it clear that the subnational governments of a continent are inclined to establish decentralised cooperation relationships with the same level of administration on the other continent. The leading role of the municipal level should be emphasised here. However, the lack of institutional symmetry between the EU and Latin America forces some European actors (especially supra-municipal administrations) also to establish

relationships with the Latin American municipal level.

Future research may analyse the impact of decentralisation processes on the decentralised cooperation phenomenon in Latin America. Indeed, it appears that countries with a higher level of decentralisation in Latin America (Brazil for example) do not participate more in decentralised cooperation initiatives than the less decentralised countries (like Nicaragua). On the other hand, the opposite effect may be considered; that is, to what extent a higher degree of participation in decentralised cooperation activities smoothes the way for decentralised processes.

The comparison of ODA and decentralised cooperation percentages between the EU and Latin America shows the differences between both phenomena, illustrating that decentralised cooperation – by its own nature, and as expected – does not follow the same patterns as ODA. However, in comparing percentages of ODA and decentralised cooperation, some parallels emerge, which are probably attributable to the proximity between some targets for ODA and decentralised cooperation and the existence of historical and cultural bonds. Future research could focus on analysing the few similarities between both phenomena.

Be that as it may, the profusion of decentralised cooperation initiatives makes clear the fact that central governments no longer have the monopoly of external action; at present, regional administrations and certain spheres of civil society play a significant role in the international arena. While regional integration processes have been forcing the adaptation of theories on international relations since the middle of last century, it now seems necessary to continue working in order to incorporate new challenges – like the challenge entailed by the decentralised cooperation phenomenon – into the analysis of the international arena.

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Social cohesion and poverty reduction



Decentralised cooperation and poverty reduction

This article examines, from the point of view of Decentralised Cooperation (DC), the new insights and concepts regarding poverty, as well as their scope in terms of strategies and reduction programmes. Taking the traditional conceptualisation of poverty as an absolute or relative lack of income as a starting point, it argues that there has been a marked conceptual evolution through the identification of the multiple dimensions of poverty and the development of the new concepts of exclusion, capabilities, social capital and social cohesion. In terms of decentralised cooperation strategies for poverty reduction, it identifies and comments on the guiding principles, as well as on the value and the challenges generally faced in the organisational and institutional dimensions of the design and implementation processes of the programmes.

KEY WORDS

*Decentralised cooperation |
Poverty |
Social capital |
Social cohesion |
Welfare state |
Integration | Coordination |*

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1. Introduction

Poverty reduction represents the central goal of most international organisations and development cooperation programmes. With more or less emphasis, and according to quite different conceptions, this goal may be easily identified in the strategies of the organisations of the United Nations system, such as UNDP, UNESCO, UNICEF and ILO, as well as the OECD and multilateral development promotion agencies such as the IDB and the IBRD, and more specifically in the European Union institutions. Since the 1990`s, it has also been possible to identify a relatively successful convergence strategy by these international actors towards this goal, reflected for example in the sequence of initiatives that range from the Copenhagen Summit on Social Development in 1995, including the establishment of the Decade for the Eradication of Poverty (1997-2006) and the Millennium Declaration of 2000 by the UN, and presented also in the European Community's Lisbon Action Plan of 2000 and in the Social Charters of MERCOSUR (2000) and of Islamabad (2004).

The statement that the major focus on the topic of poverty among the goals of international cooperation has closely accompanied the recent transformations of the international system, promoted by the simultaneous and not always harmonious globalisation process, the enlargement of communication and information systems and even the recent wave of democratisation of the political systems of an increasing number of countries and regions, is a truism. It is also widely known that, hand in hand with the undeniably positive results of such processes, not only have poverty rates remained at very

high levels in huge areas of the world, but levels of social inequality have significantly increased even in countries and regions that are recognised as fairly egalitarian.

It is therefore not surprising that the international cooperation agenda has conferred such strategic importance on the social issue in the shape of poverty reduction. More surprising, or rather, more provocative from an intellectual standpoint, are perhaps the innovations and challenges that have accompanied and still accompany this displacement of objectives: the evolution of the concept of poverty and the methods for confronting it, the institutional innovations in the forms of cooperation directed at poverty reduction, the emergence and increasing prominence of new institutional actors which dynamise international collaboration aimed at poverty reduction.

On an intellectual level and in the practices of multilateral agencies, it is easy to identify a significant evolution in the concept of poverty, as well as the understanding of its relation to economic growth and social welfare. The main credit for stimulating and spreading a more comprehensive concept of poverty, defined under the double parameter of *social development* and the *relation between social development and economic growth* may be due to the United Nations system. More recently, this perspective has gained scope and complexity. Conceived at the broadest level of social protection systems, in its evolution it has incorporated and reinforced the new concepts of *human development, investment in people and in human capabilities*, and the ideas of *social rights* and *human rights, social inclusion* and, more recently, *social cohesion*.

It is interesting to remember in this respect that it was Gunnar Myrdal who originally explained the guiding principles of such a perspective. In a piece of research



he conducted in 1966 at the request of the United Nations Economic and Social Council, Myrdal proposed a unified social and economic development strategy, based on the following principles:

- that no segment of the population be left out of the development process;
- that growth be the goal of the mobilisation of large groups of the population and that, on the other hand, their participation in the development process be ensured;
- that the moral imperative of social equity and the economic and democratic imperative of efficiency be considered equally important in growth strategies, or that high priority be granted to the development of human potential, especially that of children, avoiding early malnutrition and ensuring health services and equal opportunities for everyone.

It is not difficult to see that these are the principles that, even today, set the standards for the concepts of poverty and the strategies for confronting it, at the level of international cooperation.

But the innovations are institutional as well. Among the many forms of international cooperation, *decentralised cooperation* has been a relatively recent innovation, privileging the interaction between territorially defined local actors – local communities, cities, regions - which are almost always endowed with or pursuing their autonomy. Here, too, the conceptual evolution is evident. As other articles in this Yearbook show, this form of cooperation moves away from both the vertical state-state cooperation models and from the traditional form of decentralisation in vertical structures (and their respective

delegation, deconcentration and devolution processes). In an unprecedented way, in the field of international relations, decentralised cooperation is much more associated with a horizontal and balanced concept of the relationship between local authorities and between private and public sectors, supported and dynamised by civic participation. For this reason, this innovative institutional form tends to privilege *network action* and coordinated or consensus actions by its crucial actors.

The other innovative institutional dimension is provided by these new social and political actors that project themselves with increasing strength on the international and national stages, the local authorities. With a leading role in decentralised cooperation, local authorities, especially cities, are experiencing new and challenging functions for which they are mobilising new material and institutional resources traditionally monopolised by central governmental levels.

But what happens when conceptual and institutional innovations such as those mentioned come together in a same experience? What are the advantages and what the challenges or limitations that international cooperation for poverty reduction is confronted with when it is guided, in the first place, by a more comprehensive concept of poverty and of the social policies designed to combat it; and in second place, when it is implemented under the innovative institutional form of decentralised cooperation; and in the third place, when it connects local communities or organises them horizontally in networks? There is no doubt that such a method of cooperation and with such a goal, even on the basis of its innovative and recent nature, tends to confront the challenges surrounding poverty eradication programmes and, at the same time, those usually manifest in coordinated network actions, organised

in a non-hierarchical way, and almost always structured around consensus forms of inter pares decision-making. That is to say, it may be assumed that the sphere of the fight against poverty, decentralised cooperation is nurtured by and benefits from the aforementioned cognitive, cultural and socio-organic advances, but at the same time comes up against the obstacles derived from the innovative and recent nature of the new concept of poverty and the actions of international, decentralised, network-organised collaboration.

This is the intellectual field in which the concerns of this article are situated. We will try to recover and expose the main concepts and topics related to the issue of poverty in general and particularly in relation to poverty reduction strategies in decentralised cooperation programmes. More explicitly, holding as a starting point the central characteristics of this form of cooperation, this article has the goal of updating and systematising the concepts implied in approaching poverty through decentralised cooperation strategies, as well as identifying the virtues and the limitations facing them.

To this end we rely as much on contemporary literature regarding the subject as on the examples and lessons that can be extracted from some practical experiences of international collaboration.

2. Recent theories on and approaches to poverty

What is poverty? What is being poor? What criteria should we employ for the identification of poor individuals and groups? How can we distinguish the poor from the less poor from those who are definitely not poor? Questions like these have been asked for centuries, and have been well or badly

answered by people in general, on the basis of their own experiences and sensitivity, but also by authors and novelists, academics, researchers and specialists. However the answers were not or are not completely satisfactory.

In fact, the concept of poverty, while apparently simple and self explanatory, with time has become more complex and sophisticated, undergone improvements, the dramatic broadening of its content and even expansion of its scope. The truth is that, at least in the field of human sciences, few concepts have registered such dramatic and notorious changes and enrichment. The methodologies and techniques of measuring poverty, at once stimulus and product of these developments, have also markedly evolved, acquiring greater sophistication and precision.

It is possible to state, without risk of exaggeration, that among the positive results of this process are the greater sensitivity of the concept to the various situations and dimensions of poverty, the possibility of inclusion in the concept of new determinations of poverty generated by recent changes in society, the inclusion of political dimensions of activity, influence, participation, power, reflecting the new conditions of democracy, and many others. It is not our aim to provide a thorough balance of such developments according to the model of a synthesis of the vast academic literature already accumulated on the subject¹. However, some dimensions, characteristics and results of this intellectual progress are of direct interest for decentralised cooperation strategies in the fight against poverty and in favour of social cohesion. To

¹*The literature exploring and developing the new concepts and measurements of poverty is vast and easily accessible. See Fukuda-Parr and Shiva Kumar (1995), Kanbur (2002), Narayan et al. (2000), Spiker (2000).*



these we want to refer, although briefly, in the following topics.

2.1. From poverty to social cohesion, distinguishing the concepts and their relations

Poverty, inequality, exclusion and social cohesion are concepts referring to different social phenomena. No matter how related they are (and in fact they ultimately are), it is important to respect their differences, above all when it comes to reflecting on decentralised cooperation strategies aimed at eliminating, reducing, or in the case of social cohesion, reinforcing each of these social situations.

In a very simplified way, it can be stated that the recent evolution of the concept of poverty, with the contribution of various sciences and areas of knowledge, has advanced along three main lines of development, according to whether they have considered

- the absolute and relative poverty of income
- the multiple and interrelated dimensions of poverty
- the mechanisms of poverty reproduction

2.1.1. Absolute and relative income poverty

For a long time, poverty was regarded only by the *income criterion*: low or insufficient. Meanwhile, it should be noted that this restricted concept demanded that the situations of relative poverty and absolute poverty within a society be distinguished.

The concept of *relative poverty* identifies as poor the group with the lowest income in a society, that is, the group that regardless of the value of its average income, it is below that of other groups of the population. The perspective is, therefore, relative. The concept

of *absolute poverty* refers to a certain minimum level of consumption, describing as poor those people whose income is insufficient to purchase the set of goods and/or services defined as indispensable for life. Notice that in both concepts arbitrary elements have been introduced through the establishment of what it was agreed would be called the poverty line.

In the case of *absolute poverty*, the concept demands in truth a double definition, that of the fundamental contents of the “vital needs” and that of the “poverty limit”, that is, the establishment of the minimum level of satisfaction of those needs, below which the poor group would be situated. These definitions or criteria have varied with time. The criterion of minimum calorie intake, employed since the 19th century and widespread until a few decades ago, defined the concept of poverty as the inability of a person to obtain the minimum necessary amount of daily calories. More recently, poverty lines referring to nutritional needs have been estimated by organisations such as the ECLAC or the IDB from a basic food basket that would theoretically cover the population’s nutritional needs, also taking into account variations in their consumption habits, the effective availability of foods in the country and their relative prices. In any case, the price of the basic food basket must reflect, in monetary values, the minimum income level necessary for its consumption (poverty line), under which level the poor are localised (income poverty).

Besides nutritional needs, other needs were considered, for example by the ILO during the 70’s, introducing measures of minimum housing needs (room and some

equipment), clothing and access to public services of basic education, health, drinking water, sanitation and transportation needs (Townsend, 2005; Lavinás, 2002). With some differences, from this tradition the so-called Unsatisfied Basic Needs method (UBN), widely employed in Latin America, arose.

More recently, sophisticated composite indices of absolute poverty have been produced and tested. This is the case of Townsend's Index of Deprivation, constructed based on the following criteria: unemployment (taken as an indicator of the lack of income), bad housing conditions (indicated by high population density), the lack of lasting consumer goods (such as a car) and the proportion of houses occupied by non-home-owners (Spacker, 2000).

As can be imagined, it is not always possible to quantify these minimum goods and social services scales or estimate their monetary value, which makes their use difficult, especially in countries lacking reliable databases. Perhaps for this reason the simplified and pragmatic formula with which the World Bank measures absolute income poverty has been widely used, especially in international comparisons. This formula classifies as poor every person who earns up to two dollars a day, and extremely poor or in absolute poverty every person who earns up to half that value.

The concept of *relative poverty* also operates on scales or poverty limits created by convention and employed as a dividing line that separates the poor from the not poor. For example, the European Union considers as poor those with an income of under 60% of the national median income². A simpler tradition, but more widely used, even in Latin America, is that which classifies as poor those population groups localised in the lower deciles or quintiles of income distribution. In

truth, conceived in this way, the concepts of relative poverty measure income distribution and the distance between the income groups much more than their effective purchasing power.

Concepts of poverty such as a lack of income, in both concepts of relative poverty and absolute poverty, although produced through sophisticated composite indexes, suffer from great limitations and are criticised by all who share more complex and multidimensional conceptions of poverty. Nevertheless, such concepts are useful and constitute good starting points for the awareness of the situations of poverty and, above all, are indispensable in the case of international comparisons. Furthermore, regarding the concept of absolute poverty, it is possible to establish an initial identification of the groups at which the actions and programmes are aimed (target group). In turn, the concept of relative poverty produces quite an adequate measure of social inequality, a different phenomenon, but almost always related to poverty and the factors that determine it. The question is not, therefore, of abandoning or substituting these concepts and measures of poverty, but of broadening and completing them, making them more sensitive to other, multiple dimensions of poverty.

2.1.2. The multidimensional nature of poverty

Poverty is not defined nor does it end with the lack of income. How, then, should it be defined?

A good starting point is to listen to the poor. In *Voices of the Poor*, Narayan et al. (2000) properly synthesise the perceptions and

²The European Union's Social Protection Committee employs the concept of relative poverty defined by the indicators of the main aspects of monetary poverty, their levels, persistence, depth and temporal evolution, as well as their distribution by gender, age, type of family aggregate and activity. See European Commission, 2005.



understandings of poor populations regarding their poverty and the institutions related to it, listing the ten dimensions of deprivation and vulnerability in addition to low income and consumption, as they were referred to by those interviewed.

- Capabilities: lack of information, education, abilities, trust;
- Life and personal asset conditions: precarious, periodical, inadequate;
- Living quarters: isolated, insecure, uncared for, stigmatised;
- Personal physical conditions (body): hungry, tired, sick, bad appearance;
- Gender relations: unequal and long-suffering
- Security: lack of protection and confidence regarding the future;
- Behaviour: indifference and abuse by the more powerful;
- Institutions: exclusive and powerless;
- Organisations of the poor: weak and disjointed (Narayan et al. 2000:248-9).

In the eyes of the poor, poverty is much more than level of income; it involves material aspects, but also non-material and psychological aspects. It means bad conditions or bad quality of life, or more generally, the experience of bad quality of life, the lack of self-esteem, a “pronounced deprivation of welfare” (World Bank 2000, Chambers 2005). It is fear for the future and it is even the feeling of marginalisation from the new economic opportunities due to lack of social connections, information, education and credit” (Narayan et al. 2000). Chalmers adjusts and emphasises two other dimensions: the *poverty of time* and *energy* and the *poverty of the body*, that is, engraved on the physical body of the poor in the form of exhaustion, illness and deterioration (Chalmers 2005). In contrast, in the eyes of the poor, wellbeing is “mental ease, health, belonging to the community. It

is serenity, freedom of choice and action. It is a viable and safe occupation regarding income sources, and it is food” (Narayan et al. 2000).

It is essential to register three other dimensions of poverty, mentioned by the poor and widely recognised by recent research on poverty: *gender inequality*; *lack of social capital* and, together with *lack of autonomy and power*; the systematic *loss of development opportunities* by the poor groups.

The *gender focus* allows the examination of one of the serious factors in the reproduction and persistence of poverty. Apart from the issue of the feminisation of poverty, understood as the growing proportion of poor single parent families with a female head, the evidence indicates that, subject to patriarchal power structures, women find themselves in an almost absolute situation of destitution of power, autonomy and rights, even with regard to their own body and reproduction (reproductive rights), remaining vulnerable to domestic violence. However, as the data recently published by the United Nations shows, discrimination against women stimulates poverty and the persistence of discrimination is not only a serious problem of injustice, but also a major obstacle for the reduction of poverty (UNFPA, 2005).

Poverty is also experienced as the weakness or ineffectiveness of structures of interpersonal relations and of public and non-governmental institutions, viewed with distrust by the poor. Such *poverty of social capital* may be partially made up for by the trust that the poor place in local social networks and actors, or in their perception that the basic public services do “make a difference” to their living conditions.

But perhaps the clearest characteristic of the situation of poverty, perhaps because in a way it cuts across all others, is the *lack of autonomy and power* of the poor over their own life conditions, or over the decision-

making structures that affect them. Lack of knowledge, capabilities, freedom of choice and participation possibilities, the collection of these perverse “ingredients” of poverty is ultimately responsible for the fact that the poorest groups are systematically left out of the process and the opportunities arising from economic growth.

In this process of widening the concept of poverty, recognising its non-material dimensions, as well as identifying the action potentials and alternatives, is decisive.

“It is increasingly recognised that urgent recognition is required for the non-material dimensions of poverty that frequently accompany situations of a lack of income and the dissatisfaction of basic needs, such as identity and group belonging, trust in the capacity to take action, having an opinion and being able to express it, having expectations, demands, aspirations regarding certain opportunities or standards of goods and services to which there is access, the wish to be recognised, respected and treated considerately. In brief, not just to be a victim of the positive and negative events of life, but also to visualise alternatives of action, being able to choose, act and influence collective decisions. In terms of policies to overcome poverty, it is fundamental to consider the socio-cultural aspects, the fabric of social relations, associations, judgments, moods and logic that orient the behaviour of the poor sectors” (Consultancies for Development 2002;12).

However, besides recognising the multidimensional nature of poverty, it is important to identify the internal connections and overlaps of its characteristics as well. In other words, the complex situations of poverty don’t seem to constitute the mere addition of

individual and independent attributes. On the contrary, they resemble a dense and intricate weave of interdependent characteristics that simultaneously act and strengthen each other, interacting with a heavy load of *negative synergies* (Chambers 2005). Projected on the places and territories where the poor live, these interrelated characteristics may look as if they *project a web of needs of which the poor are prisoners* (Narayan et al. 2000, Chambers 2005, Townsend 2005). Poverty’s multidimensionality comes from the fact that the determining factors are not isolated.

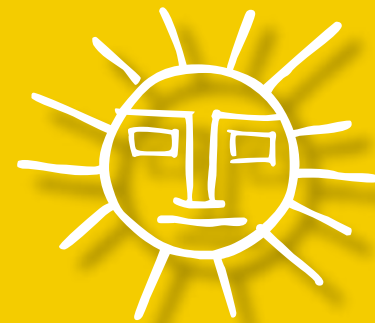
What concepts, measures or indicators could account for such wide and complex conceptions of poverty? The *human rights approach* and the concepts of *social exclusion*, *human capabilities* and *social cohesion* had this more comprehensive understanding of poverty as their goal³.

2.1.3. Poverty in the perspective of rights

Democratic life entails the practice of human rights; it implies human freedom and dignity as the basis for the social and political coexistence of citizens. In contemporary society, especially after the second half of the last century, this practice of human rights is being translated through the definition and institutionalisation of economic, social and cultural rights.

The idea of social policies conceived from the perspective of rights exactly corresponds to the constitution of democratic, participatory societies which respect and promote citizens’ rights. The effectiveness, protection and development of

³*It is also the case of concepts such as vulnerability, instability and insecurity, also often employed by literature on the subject.*



social rights almost always demand proactive policies from the State.

Equity and equality constitute the other two principles of social justice that sustain the concept of social policies towards human development. To put it more clearly, social policies based on the perspective of rights and aimed at human development are oriented to promote equality between persons.

From the perspective of equity – referring to minimum levels that it is supposed should be reached by all – the policies are oriented towards promoting equal opportunities, correcting the differences of environment, context or those produced by the market. This would be the nature, in Latin America, of the universal public primary and secondary education programmes.

From the perspective of equality, that is to say, the relative differences between the social groups, social policies are aimed, above all, at reducing them. Redistributive policies, as well as policies with focuses such as programmes of social minimums, inclusion, monetary transference, minimum income, etc., are refer to this principle.

What reflections can be drawn from these principles for the perspective of decentralised cooperation in terms of social cohesion and eradicating poverty? I suggest we think about two of the most direct conclusions:

- The eradication of poverty, in the setting of democratic societies and of social welfare states, falls within the framework of social and human rights. It is these rights which ultimately confer legitimacy, universality, support and efficiency to actions aimed at eradicating poverty.

- The ultimate guarantor of social rights is the State. This is its main function, and it cannot be substituted by any other

player or any other alliance. Furthermore, when encompassed within the juridical-legal institutionality of the State, these rights can become universal.

Social policy conceived as *human development* is based on contemporary visions of social welfare and development⁴. It assumes that the centre of development is the human being and therefore the goal of development is to increase the opportunities of the person. Various other premises emerge from this initial assumption.

Undoubtedly, this broad approach to human development moves away from narrow concepts that tend to reduce development to mere economic growth, but it also differs from those which take the human being as a means, an instrument or a passive beneficiary of the production of wealth and welfare. Far from opposing or reducing the importance of economic growth, the perspective of *human development* imposes economic growth, considering it not an end in itself, but a necessary means, although insufficient, to ensure the progress of people and societies. But also because it operates with a complex concept of development, understood as a process constructed from simultaneous social, economic, demographic, political, environmental and cultural factors.

However, it is also important to emphasise that this concept differs from the fair although incomplete notion of development as the *fulfilment of basic needs* required by dispossessed groups. This last concept, strategic in terms of attention to social emergencies, has always been close to the more aid-based and non-democratic visions of social programmes, especially those addressed at poor populations and communities. It also tends to focus only on

⁴The UNDP was a pioneer in spreading this concept.

lacks and omissions rather than on resources, success achieved and the opportunities and potential of those groups in need.

2.1.4. Social exclusion, human capabilities and social cohesion

Social exclusion can be understood as “an accumulation of converging processes with consecutive ruptures that, originating at the heart of the economy, politics and society, cause people, groups, communities and territories to grow further apart and “diminish” in relation to the centres of power, the resources and the dominating values” (Estivill 2003). Devised almost three decades ago, the concept of social exclusion would include at least three essential dimensions of “social unease”, the economic (through unemployment and no access to assets such as land and/or credit), the social (loss of social connections, reduced self-esteem, etc.) and political (partial or total deprivation of the human and political rights of some categories of the population, such as women, ethnic or religious minorities, etc.) (Bhalla and Lapeyre, 1997). That is, the concept of exclusion would involve the multiple factors and situations of poverty, going beyond the limited identification of poverty as the mere lack of income. It would, therefore, contribute to the understanding of the complexity of contemporary social processes, as well as to developing new proposals for social policies (Bessis 1995).

The positive aspect of this conceptual evolution would lie in the recognition that the concept of social exclusion reflects the growing understanding of the multidimensional nature of poverty and of the importance of contemplating a wider perspective when dealing with the issue, grasping more accurately “the nature of the mechanisms through which people and groups are excluded from participating in social change, from the practices and from the rights of social integration” (European Commission,

1992:8). A summary of the intellectual advantages of such evolution is that presented in the URB-AL Network 10 document “Fight against Urban Poverty”:

“Contrary to absolute poverty, which is based on objective criteria such as lack of income, lack of housing, lack of human capital, social exclusion implies considering also subjective aspects which cause feelings of rejection, loss of identity, lack of community and social bonds, resulting in a retraction of sociability networks with a breakdown of the solidarity and reciprocity mechanisms. Exclusion appears less as a state of shortage than as a course, a route along which, on top of shortage of income and lack of diverse resources, there is an almost constant accumulation of disadvantages, dissociation processes caused by ruptures, situations of social devaluation, consequences of the loss of social status and the dramatic reduction of opportunities, in which the chances for re-socialisation tend to decrease.” Substituting the focus on poverty for that of exclusion means moving from levels of “shortage to a dynamic, accumulative and multidimensional approach in which learning what transforms the risk resulting from the experience of insecurity, instability and precariousness into a “fatal state in which one falls, without warning, into a state of rupture with a normal social condition leading to loss of visibility. The excluded person does not control his social evolution.” The concept of exclusion adopted by the Council of Europe in 1994 states that those excluded are “the groups of people who find themselves partially or completely outside the range of the effective application of human rights”. (URB-AL, Network 10 2004).

The widespread diffusion and extensive use of the concept of exclusion up to the present confirm its importance and usefulness, although it has not been free of criticism. In fact, the



idea of exclusion is practically inseparable from that of inclusion, but this counterpoint is not always explicitly stated, which could lead to a failure to consider certain forms and processes for the “inclusion” of the excluded. On the other hand, within the concept of exclusion, the processes or social dynamics that produce exclusion become rather opaque. Finally, the negative point of view of the concept would tend to impede the identification of the potential and capabilities of people who are labelled only for their negative aspects of absence, lacking, isolation, etc.

Amartya Sen's *capabilities and human development approach* in some measure overrides such limitations, introducing the positive vision of recovering the possibilities of development of poor people through the expansion of their fundamental freedom. In Sen, the concept of poverty is defined simultaneously as a restriction of freedom and entitlements and as the deprivation of capabilities, potentials and opportunities. More than shortage of income, poverty is the deprivation of capabilities, that is, of the opportunities for choice through which people may freely and autonomously transform resources and income into “functionings”, that is, in “being” and “doing”, from the most elementary, such as being well fed, escaping avoidable weakness and premature mortality, etc., to complex and sophisticated realisations such as possessing self esteem, being capable of taking part in community life, etc. The effectiveness of these capabilities is included in the systems of guarantees and rights prevailing in the society in question and in the position of the persons in that society.

This approach is also that of *human development*, that is, strategies that aim to widen people's capacity to “function” better, to live better, to expand. In the wide perspective opened and developed by Sen and his followers, human development is

the process that moves from poverty to welfare, from deprivation to flourishing of the capabilities, and has as central characteristics participation, human welfare and freedom. In the same way as poverty is understood as multidimensional and heterogeneous, the process of human development is also multidimensional, simultaneously promoting and acting as a springboard for different types of capabilities that also vary depending on the material, ethical and cultural differences between people, gender, class, race, ethnic group, sexual preference and so on. It is still a process that involves people as participants in their own development, as agents demanding transparency from their country's leaders and supervising their election and decisions. The emphasis is placed, therefore, on all the aspects that might allow the fulfilment of a specific lack or deprivation: employment, housing, health and education, information, but also and in a more general way, participation in decisions, security in all its forms (from nutritional to political), belonging to a community, respect for rights, etc. (Dubois et al 2005).

More than revealing incompatibilities with the concept of social exclusion, the theoretical-conceptual framing of capabilities and social development, which is more ambitious and complex, allows for a more dynamic approach to poverty and the strategies for overcoming it, and not only in abstract terms. It should be noted, for example, that since the early 1990s, the UNDP has been employing composite indexes to measure human development and poverty, produced based on the concepts of and with the personal collaboration of Amartya Sen. Defined in order to place less priority on income or the possession of goods and services and more emphasis on the ability to obtain them, the *Human Development Index*, started in 1975, is made up of three equally weighed indicators: *purchasing power* (Gross

Domestic Product or per capita income, corrected for purchasing power parity, by country), *educational* level (combination of illiteracy rates and gross primary school, high-school and higher education registration rates) and *health* (through the longevity index, measured by life expectancy at the moment of birth). The *Human Poverty Index* of 1997 already completely eliminated all consideration for income and introduced variables yet more sensitive to the living conditions of the poor: the probability at the moment of birth of not living up to 40 years of age, the adult illiteracy rate, the percentages of people with no access to drinking water, and the percentage of undernourished children of less than 5 years of age.

The capability approach already indicated the importance of integration into the community from the social networks of family and neighbourhood relationships to the circuits and dynamics of civil and political life for the process of development and overcoming poverty. Here, too, we can talk about capabilities in the sense that interpersonal relationships, organisation and participation constitute resources that widen opportunities, enable the better performance of the person and, as the United Nations has emphasised since the 1970's, influence the development process, allowing people to share its fruits fairly (United Nations, 1955, 1981). More recently, in a different intellectual field to Sen's, the concept of *social capital* has been unwrapping and spreading that concept even further, especially through Robert Putnam's studies on community, isolation and civic participation (Putnam, 1973, 1993). Very briefly, it can be said that local capabilities and energies constitute the *social capital* of a community, given the relations and connections the inhabitants establish with each other, the trust and collaboration relations between the

people, their association and cooperation capacity, informal solidarity, protection and mutual help networks, etc.⁵

In some way, the notion of *social cohesion* recovers and broadens these concepts and proposals on the social fabric and dynamics in which individuals are badly or well rooted. Although fluid and difficult to define, the concept of *social cohesion* brings about the ideas of belonging to a same community, of shared values, of common discourses, undertakings and goals, namely, a common destiny. From the perspective of poverty, it addresses the situations of rupture in the social fabric, of isolation and passiveness, of non-identity and rejection of differences, of distrust and disenchantment regarding political institutions, of loss of opportunities derived from the shortage of resources and local capabilities, etc. Proposed as a strategy and goal for overcoming poverty, as the European Union, does today, the *reinforcement of social cohesion* means exactly the opposite of this, appealing for the (re)construction of interpersonal relations based on trust, tolerance and pluralism, stimulating investment in the construction of capabilities in local communities through the active participation of the people and the strengthening of organisations, networks and alliances between public and private institutions.

Social cohesion implies the incorporation of the different social strata into a "*common destiny*", characterised by more equality of opportunities, by the fight against marginalisation and the fight against situations

⁵The basic ideal of "social capital" is that family, friends and fellow people constitute an important asset of the person that may help him through crises, provide him with security and allow him to make greater material achievements. Communities which possess a rich stock of social networks and civic associations would seem to be placed in a stronger position to confront poverty and vulnerability (Woolcok, 2001).



of poverty and social deterioration” (CeSPI 2001:6). Contrary to this, the absence of a vision of “shared destiny” is an indicator of social fragmentation.

These are also the bases on which the dynamics of local development, of inspiring community action for development, are considered. Local development is far from being a merely administrative and institutional process. It involves policies rooted in the social fabric, the participation of several actors and societies of different kinds. As mentioned above,

“From this perspective, a role of great relevance may be played by European decentralised cooperation through the promotion of Euro-Latin American territorial partnerships. The issues of the fight against poverty, social inclusion and democratic consolidation, are the bases of many decentralised cooperation experiences” (RECAL/CeSPI 2002: 8).

It is clear that, for their effective realisation,

these local development guidelines require the specific knowledge of the potential, capabilities and demands of each of the cities, towns and territories involved in the cooperation.

It is not difficult to recognise the new intellectual possibilities opened up by the concept of social cohesion for the understanding of poverty and the strategies to overcome it. Here, too, it is not about eliminating the concepts and approaches outlined above, but in fact about presenting them as part of a wider analytical picture that, at least in principle, would strengthen its cognitive values. In truth, although founded on different theoretical matrices and even emphasising diverse aspects of reality, the various concepts and perspectives for analysis may constitute a relatively integral treatment of poverty as insufficient human development, based on low levels of social cohesion, as shown in the following summary table:

Table 1. Dimensions of poverty compared with insufficient human development

Dimensions						
Welfare	Economic		Social	Cultural	Political	Ethical
Forms of poverty	Monetary		Living conditions			
Poverty of access (lack or absence of satisfaction)	Lack of absence to employment	Lack of access to health, balanced nutrition, education, housing, etc.	Social exclusion	No recognition of own dignity	Absence of democracy of participation in decisions	Absence of norms
	Absence of income		Breakdown of social cohesion	Disintegration		Corruption
	Low power		Gender discrimination problems			Violence
						Value Denial
Poverty of potentials (absence of accumulation opportunities)	Absence of physical capital (equipments, land, durable goods) and of financial capital (savings, credit)	Lack of human capital (low education level, poor health)	Lack of social capital (lack of social cohesion, weak social relations)	“Cultural capital” insufficiency	Absence or lack of “power”, means of expression, information	Lack of norms or shared values “ethical capital”
				Absence of a common cultural fund		

Source: Based on Dubois and Mahieu (2005)

2.1.5. The reproduction of poverty

In the last few decades, a major advance has taken place in the concept of poverty, as well as in the methodologies and techniques for its measurement. The understanding that poverty reproduces through the multiple and interrelated dimensions already explained also seems to have advanced considerably. In the meantime, the more accurate identification of the mechanisms and factors of such reproduction appears to have been minor or insufficient up to now, although some factors may be indicated with relative certainty, like those sketched briefly here.

The *intergenerational reproduction of poverty* is associated with various factors, but especially with the increased probability that the children of very poor parents will tend to be undernourished and will have a lower degree of education, two factors that, in themselves, constitute strong determiners of adult poverty. Contrary to this, it is known that just one additional year of education for the mother is responsible for an improvement in the nutritional profile of her children as well as in their probabilities of better educational performance.

The *situation of inequality and discrimination against women*, together with the *feminisation of poverty*, constitute factors which are also crucial in the reproduction of poverty, evidenced by the growing population of poor families headed by single women, by the larger percentage of women in the informal labour market, by the larger percentage of women among those who work less, among those who have more precarious jobs, among those who earn lower salaries, etc.

Residential segregation appears to be another strong factor in the reproduction of poverty, as it perversely contributes to social discrimination and what Kartzman called

“vicious circles of expanded reproduction of social isolation” of the poor (Kartzman 2002).

Social inequality is also another determining factor in the reproduction of poverty, since it contributes to an uneven distribution of income, of assets, of access to credit, of social capital, etc., adversely conditioning the structure of opportunities for the poorer groups.

To break or disrupt these vicious circles is the intellectual and practical challenge that all strategies for poverty reduction confront.

In the next section we will examine some of the extensions of the new approaches to poverty in terms of strategies for its reduction, taking into account the perspective of decentralised cooperation programmes.

3. Strategies for the reduction of poverty and decentralised cooperation

What strategies for the reduction of poverty could emerge from the new concepts and theories previously presented? What qualities and limitations would such strategies face, as revealed by some experiences and programmes designed according to the perspectives described here?

This section approaches the strategic goals of poverty reduction from the point of view of decentralised cooperation, highlighting the following issues: integrated strategies of economic growth, social development and poverty confrontation, the perspective of investing in people and in communities, the point of view of institutional strengthening and citizen participation, and the institutional challenges present in the new cooperative and decentralised institutionality of international cooperation.



3.1. A broad, fair and participatory concept of social development

Based on the concepts outlined in the previous section, *policy for confronting poverty* is, ultimately, increasingly conceived as *a social policy for development*. A policy guided by goals of human development and by investment in the autonomy and capabilities of people and their communities. In its broader scope, this is understood as much due to its effects on economic growth as the degree to which it contributes to reaching the more general goals of social progress and the strengthening of democracy.

Conceived in this way, the strategies for confronting poverty involve, but are by no means reduced to, the traditional programmes for the poor. On the contrary, they are supported by the *dynamic integration of the economic, the social and the cultural in the local and regional environments*. They are constructed by the package of public policies and are expressed in the organisations, networks and horizontal societies of the multiple actors in government and civil society. Here, undoubtedly, there is a set of new and renewed strategic principles that should be defined.

Adequate levels of social welfare, social capital and democratic and participatory coexistence define the favourable environment and social fabric for the successful development of programmes for the confrontation of poverty. Needless to say, this vision confers full centrality on the goals of *social development*, intrinsically related to those of economic growth.

Simplistic versions were important in the past in relation to programmes for fighting poverty. Originally, as we know,

they occupied a marginal position in social protection systems, operating with high degrees of provisionality and fragmentation, as well as strong doses of welfarism. More recently, another simplistic approach tended to govern strategies for confronting poverty, defined by rigid neoliberal inspiration; as part of a major attack on the welfare state, it is now social policy itself that is reduced to programmes for fighting poverty, almost always focused on the narrow perspective of localised social help and the human resources necessary for economic growth.

In a different way, the concepts indicated at the beginning are defined according to an *integral perspective of economic and social policies*, a perspective that simultaneously considers the economic goals, the social imperatives and the democratic goal. Ambitiously, poverty reduction policies are attributed to the more general fields of economic growth and of social protection systems, that is to say, in the structures and programmes of welfare states.

It should be noted in passing, that these are by no means strange perspectives in the analytical picture and values moving the European Union in matters of social policy. On the contrary, as we well know, social protection is at the centre of its conception of society, promoting social cohesion, and furthermore, dynamising the economy, as was asserted in 1995:

“Social protection represents a fundamental ingredient of the European model of society. It can be defined as the set of collective transference mechanisms intended to protect the inhabitants of a country against social risks” (EU 1995:1).

“Social protection systems guarantee an income to those persons who have difficulties, allowing them to adapt to economic and social evolution. In this way, they contribute

simultaneously to social cohesion and economic dynamism” (EU 1999b).

Social risks that, apart from those specifically covered by social security, also involve new ones originating from shifts in the economy and in the social structure as is verified below:

“Social protection regimes play a major role in ensuring the redistribution of income and social cohesion in Europe. The activities of the European Union in this domain have the goal of instituting a high level of social protection (...) The social protection regimes of the Member States are confronted with a series of common significant challenges, such as for example, the need to adapt to the mutations in the world of work, to new family structures and to the considerable demographic changes that will occur in the coming decades” (EU 1999a).

A modern and adequate social protection system constitutes a multidimensional and multifaceted system of policies and mechanisms that provide citizens with the capacity to gain access to decent work, to reliable income and the means of life, to health services, to education, to nutrition and to decent housing. In essence, such a conception of social protection means the response of society to certain degrees of risk and social deprivation, which this society considers unacceptable. We could say that, for the same reason, this conception is based on a social consensus that, explicitly or implicitly, reaffirms the commitment that everyone should be ensured access to the means that allow him to satisfy his basic needs and the practise of his fundamental rights. In other words, social protection constitutes the collective intervention of society with the aim of protecting its citizens from several risks and vulnerabilities, maintaining their

welfare and improving their capacity to face such risks.

The society that confronts social risks in that way is more humane and socially more developed. The values that sustain this conception are the values of equity, solidarity and fraternity, but also those of the individual responsibility, participation and emancipation of citizens.

Social policies and programmes as a whole must be constructed and operate as *an effective social protection system*, as the fundamental right of the people to access to effective and efficient programmes that relieve suffering resulting from social risks such as disease, old age, unemployment and social exclusion, as well as programmes that protect their income, guarantee their food security and decent housing, provide basic education and opportunities for complementary education and professional training. A set of policies and programmes that ensure that everyone has access to adequate economic and social protection throughout the normal life cycle (birth, childhood and adolescence, adult life, old age) and in socially adverse situations, such as unemployment, disease and physical disability. A system, on the other hand, that is adequately supported by financial and institutional mechanisms that guarantee its continuance and support.

It is here that the concept of social programmes for fighting poverty, with their legitimate credits, is introduced: a fabric of actions constructed on the basis of social protection systems, aimed at the development of human capabilities, the promotion of people’s creativity and the stimulation of economic dynamism. A conception which incorporates and goes beyond, therefore, the more focused notion of protection of the poorer groups, as will be later discussed.



Obviously, a strategy for poverty reduction that observes these principles, gains full meaning provided it forms an integrated part of a *development model* that simultaneously promotes economic growth and structural transformation, that bases its legitimacy on social participation and on democratic rules, and that implements public policies that train citizens to participate in and to benefit fairly from the development process. A model that involves, therefore, options and decisions as a springboard for economic growth through incentives and its own instruments, but also through social investment, that is, fostering growth also occurs through the progress and development of the people and their communities.

3.2. Social development and combating poverty

Unemployment and poverty have a strict, close relationship. **Employment constitutes the best protection against poverty and social exclusion.** But not always do the poor sectors of the population succeed in benefiting from job and income incentive policies, precisely because, apart from income, they also lack the minimum basic social attributes that would train them to benefit from those and other policies and incentives.

As has already been stressed, poverty is complex, multidimensional and heterogeneous. Because of this, combating it requires a wide **range of social policies and programmes** in several sectors, comprising and articulating those of universal character as well as those of a focused and selective nature. That is to say, together with employment policies, there is a need for a flexible set of actions and programmes in the fields of

education, health, housing, information and communication, security and justice, entertainment and culture. Combating poverty is part of the wider objective of reducing evident social inequalities. On the basis of the situations of poverty, factors are determined which have been contributing to the reproduction of this state of affairs for centuries, especially the gender, ethnic and religious differences, as earlier discussed.

Relating employment with other dimensions of poverty, the ILO, through the words of its Director General, qualified the tools deemed most adequate for confronting poverty:

“Overcoming poverty implies entering a new cycle of opportunities and wealth generation at a local level. Employment, and the promotion of enterprises that generate it, is the most effective way for overcoming poverty. There are four tools for overcoming poverty:

- Employment. “Poverty eradication is impossible unless the economy generates opportunities for investment, entrepreneurship, job creation and sustainable livelihoods.
- Rights. “People in poverty need organisation and voice to obtain recognition of rights and demand respect. They need representation and participation, as well as good legislation that is enforced and that favours their interests, instead of opposing them. Without rights and without the possibility to exercise them, the poor will not be able to move out of poverty.
- Protection. “Poor people are unprotected people. The meagre income of those living in poverty is undermined by marginalisation and lack of support systems.

- Dialogue and conflict solution. “People in poverty understand the need to negotiate, and they know that dialogue is the way to solve problems peacefully” (Somavia 2003).

Productive insertion, the basis of rights, social protection and democratic participation, here indicated as the adequate tools for the lasting eradication of poverty, also address, synthetically, the new terminology and perspectives with which the issue of poverty is being approached.

The sources of these strategic lines toward the policies and programmes through which poverty is to be confronted are clear. Of course, with such principles, the opposition of universal policies and focused policies appears strange and incoherent.

From the theoretical, ethical and analytical points of view presented here, *universality and solidarity* form the foundations of the design and organisation of programmes intended to combat poverty and promote social cohesion. They express the conviction that the improvement of equity and equality will be much better attained the more the fight against poverty and social exclusion are supported by policies and programmes that are universally offered and guaranteed by the State to every citizen.

In the meantime, in very unequal societies, inequality is also reproduced through universal programmes. In other words, behind universalism, inequality and the intergenerational reproduction of poverty may be perpetuated. Processes that may occur even when the newer generations of families in poverty have access to universal social programmes that, in principle, would tend to break the cycle of poverty reproduction.

For this same reason, focused actions are necessary in such populations, be it for

the immediate attainment of their welfare or to reinforce their relative position in the ownership of the benefits of universal programmes, reducing the *social divide*, but always referring to universal programmes and preferably implemented within such programmes (focusing in general). In brief, the confrontation of poverty:

- is part of the general picture of national systems of social policies;
- responds to the democratic organisation of society and has social and human rights as its foundations;
- is oriented by the principle of human development and is supported by the capabilities and potentials of people and communities;
- is shaped as: investment in the capabilities of people and communities, efforts in dynamising energies and local development and insertion, and the increase in the person’s participation in the productive process; and
- rests on the strategy of articulating the universal programmes provided to all citizens and focusing them, referring to the specific needs of the poor segments.

3.3. Principles and strategies for combating poverty

Obviously social policies conceived with the perspective of economic, social and cultural rights precisely correspond exactly to the desires of the constitution of democratic, participatory societies that respect and promote the rights of the citizens. There is no need for a reminder that democratic life entails the practice of human rights, involves freedom and human dignity as the basis for the social and political coexistence of citizens,



and also rejects paternalistic welfarism in public social action.

Foundations of fair society and the democratic state, these are also the prerequisites for international cooperation for development and social cohesion, especially when the characteristics of contemporary, competitive and globally-articulated societies are considered, in keeping with the knowledge society. We only need to remember that, beyond the minimum levels of education and qualification required by the new production paradigms based on information and communication, the very forms of production of goods and services, which tend to be decentralised, concurrent, still articulated at national and international levels, imply a set of individual and social attributes which also operate as an incentive to their flourishing. At a personal level, they imply individual autonomy, initiative and leadership capabilities, new forms of knowledge and knowledge management, based on the capacity of constant learning, in the *communicative and informative skills*.

At a social level, their aim is to minimise social and individual risks through the reinforcement of social cohesion, supported by mutual trust, intercommunication, horizontal networks and organisations and solidarity and citizens' actions, by social policies and policy systems that operate as effective social protection systems throughout the life cycle of the person and their family.

3.3.1. Strategic guidelines: a summary

The policy of poverty reduction, conceived within the framework of the bigger picture of *social policy for development*, involves the active participation and the commitment of multiple social players, and is supported by the following main pillars:

- Productivity – the increase in participation in the production process. What this requires is an intelligent and continuous investment in human capital, as well as favourable macroeconomic and local environments.

- Equity – a concept of social equity which is attentive to the moral objectives of the extension and guarantee of equal opportunities for all, and to the economic imperative, because of its contribution to increasing efficiency in the long run.

- Inclusion – that no segment of the population be left by the wayside by development and transformations.

- Sustainability – the mechanisms to ensure free and complete access to opportunities, both in the present and in the future. In other words, mechanisms that constantly repair and regenerate all the capital and resources employed, allowing future generations access to equal options and at least the same resources as those available for the present generation, for their wellbeing.

- Participation – that large groups of the population are mobilised, ensuring their participation in the development process; for this, they must enjoy freedom and be able to influence decisions made.

- Promotion of the capabilities – the development of the person, which refers to human dignity, and of course, the understanding that people are capable of choosing their own opportunities for themselves.

3.4. Reinforcing social cohesion: development as the dynamising factor of local social capabilities

A social policy for development *such as is proposed here entails dynamic, vibrant and active communities.*

Consequently, it entails and is focused on the promotion and creation at a local level of dynamic sources for growth, that is, local development that can minimise the centripetal tendencies and the sources of social disintegration and exclusion.

It is true that effective and longstanding processes of economic growth⁶, with employment generation, depend a great deal on macroeconomic and other policies managed by central governments, therefore transcending local capacity. It is also true that the spatial logics of great investments obey other logics and influences.

Meanwhile, it is also known that when sectors of the population in a given community agree among themselves, according to a registered network, to regulate their conflicts in a participatory democratic way and undertake to meet the challenges in cooperation, it can be asserted that a process of development has already been established within that community.

For the same reason, the best social development strategy is that which is sustained by investment in *local social capital*, the true and effective incentive for decentralised cooperation between local communities. In other words, it contributes to the introduction of sustainable human and social development on a local level, aiming at attracting and training segments of the population to participate in local development dynamics and in the territorially defined productive adjustments.

This is a positive vision, that takes as its point of departure *what exists*, what the people, communities and towns themselves are capable of doing. That emphasises their capabilities, potential, resources and “assets”, much more than their shortcomings and weaknesses. Its starting point is and should be *the map of capabilities and resources that exist in the community*. There is a direct, intimate

relevance of this positive conception of the development of people and communities to the objectives and practices of the social agenda of decentralised cooperation.

Of course, because this form of conceiving the dynamics of communities (as an investment in collective capabilities, in the reinforcement of local interaction and dynamics) is aiming at mechanisms of production and reiteration of *social cohesion*. It proposes that social cohesion be constructed as the *common destiny*, characterised by more equality of opportunities, by combating marginality, by attacking situations of poverty, violence and social disintegration.

Programmes for overcoming poverty drawn up within this perspective show significantly positive results, as exemplified by the results of the Urban Poverty Programme (PPU) and of the IMPULSA Programme, both in Chile.

The Integral Programme for Combating Urban Poverty (PPU) is characterised by its focused intervention in extremely poor urban groups (15 thousand families) of 6 Chilean communes in the municipalities of Talcahuano, Lota, San Pedro de la Paz (Bío Bío Region), La Pintana, Peñalolén and Cerro Navia (Metropolitan Region).

Its objective is the construction of local institutional capabilities, through the double process of *institutional building*: building bonds of trust that contribute to the insertion of the families into the municipal dynamics and the innovation in the management of social services that could be reproduced in other municipalities of the country.

The methodology includes three programme axes: (a) management and

⁶ Through various strategies, such as training entrepreneurs, reinforcing micro and medium-sized enterprises, increasing the number of economic agents, promoting economic emancipation, generating institutional capabilities, etc.



innovation of social services, (b) habitation and territory, and (c) local economic development and employment.

Its expected results are, at an individual level at operator-family level, the extension of social bonds and networks, at group level, the development of intra-community initiatives, associative production initiatives and at a community level the integration of organisations in collaboration with families, local networks, and recovery of the historical memory. In terms of distant connections or external social capital, the aim is to give relevance to the municipal actor for the poorest sector, the development of the so called “outward” links, interrelation with the State, and synergies between services, programmes, and institutional players (Tonello 2001, Munita 2002).

The IMPULSA-Chile programme has been implemented since 1996 in 6 localities – La Higuera, Cerro Navia, Puerto Saavedra, Cunco, Tirúa and the Arauco Province – with financial support from Chilean entities and resources from the European Union, CORDAID and FADOC (Belgium).

Its objectives include overcoming poverty through local development processes based on the reinforcement of local capabilities (independence, interdependence and territorial capabilities), training (schools for leaders and training of development agents), and communal development plan (organisations and projects). Its key-concepts consist of generating capabilities, building trust, training, education, agent coordination, territoriality/comprehensiveness, participation/citizenship, material and economic progress. In terms of methodology, this involves various lines of action: local interventions, production projects and training activities, integrated and systemic territorial perspectives, diagnosis and priorities collectively established from the start, management that fosters agents from the community itself (public, private and relevant

local actors); effort coordinating strategy and public and private resources and programmes. The results obtained include the generation of sustainable jobs and income for the families and micro-enterprises, the successful education of local leaders and the empowering of the people and institutions; the increase in internal bonds in civil society and with the local and regional public institutions. However, there is evidence of some frailty in the institutional results. The main success has been the strong expansion of the capabilities and development of the citizens. “The main change experienced by the sectors of the community that come into contact with the Programme is, undoubtedly, the change in their state of mind, the radical change in the subjective perspective of control of living conditions, the ability to “stand” in front of their peers and in front of the authorities as citizens with rights and the broadening of development expectations both on a personal level and on an organisational and local level. This is in tune, based on the approach of the intervention model, with the issue of capability expansion, specifically those of independence and interdependence and with the topic of citizenship development. These are, based on the present evaluation, the most relevant axes within the results of the local development interventions carried out by IMPULSA” (Consultancies for Development 2002:108)

3.4.1. Network actions and local development strategies

Acting on a defined territorial basis, articulating the crucial state and non-state players and integrating into the dynamics of local growth, action in networks undoubtedly seems to have opened a very positive social action front, breaking many of the institutional limits that have traditionally affected the

experiences of international and national cooperation in the field of public policy. Decentralised cooperation, when implanted in networks, has also benefited from the advantages and possibilities provided by this form of organisation.

The breakdown of the traditional concept of the State, in this new multi-centred structure, constitutes a relatively complex process to be put in place, for various reasons that even include cultural aspects. This difficulty manifests itself on both sides of the scale. On one side, the still-strong vertical concept state-centred, which often obstructs organisations and the establishment of consensus between peers. At this level, the didactic action of the same network participation, accentuated by the intellectual reinforcement spread by coordination, tends to contribute to minimising the problem.

On the other hand, the mistaken presumptions about the dissolution of the specificity of the State between allies, as if it were one more and equal among peers. The State, as we know, is a bureaucratic, vertical and centred structure. The real and major changes to its paradigms of action and the necessary redefinition of its role and scope of action do not remove these characteristics. On the contrary, due to these same changes, its regulatory strength, its equalling functions and principally its role of generalisation and guarantee of citizens' rights must become greater and stronger. Strong and independent bureaucracies, that are always regulated and law-abiding, provide the possibility of fulfilling these functions.

Undoubtedly, these characteristics introduce rigidity into the State's action, which does not dissolve, nor could it, with decentralisation or flexibilisation. Would there be incompatibility between this characteristic and the greater autonomy and respect for the specificity of the local? What is more useful, this characteristic or the more agile and autonomous way in which another type of ally

might act, for example an NGO or a company, or between such characteristic and network action? It is very likely so, but here, too, it poses a challenge more than an insurmountable obstacle.

Consider, in this respect, network action. If it is based on mechanisms of articulation, negotiation and establishing consensus, there is a foreseeable limitation imposed by the structure of the State. Its bureaucracies are neither especially apt for the negotiating function, nor can they negotiate everything, because they are limited by bureaucratic regulations, and ultimately the law.

The second aspect to emphasise is in reference to the Third Sector. The strong tendencies of social mobilisation, activation and organisation of civil society, and broadening of social responsibility have greatly widened the possibilities of non-state social action and of alliances between the State and sectors of organised civil society. Even more so when such tendencies are joined by the territorial tendencies of the actions, the local roots of the programmes.

Here, too, it is important to avoid the idea of a panacea, an easy solution or naive illusions. I can think of at least two difficulties that decentralised social programmes confront in this field of innovative action of the Third Sector. The first, with respect to the small scale on which its good practices tend to be carried out, which recurrently raises the issue of how and through which mechanisms those experiences could be generalised.

The second question refers to the "shrinking" of organised civil society in very poor and deprived communities. Non-governmental organisations devoted to social work in deprived communities are not abundantly found or easily created. Poor communities also tend to be poor in organisations of this kind, as research on small municipalities of the Brazilian northeast shows.

It is true that this absence does not constitute an absolute impediment to the



establishment of a development dynamic in these small and poor communities. But it is convenient to bear in mind this typical absence, when faced with the risk of idealising the situation or of operating within unreal assumptions for the formulation of strategies for combating poverty.

Finally, the third aspect to underline has to do with the relations of programmes against poverty and local growth and development dynamics. Combating poverty from this perspective, as we have already said, is to generate opportunities to establish a simultaneously personal and community development process at the local level.

Is it possible to overcome, in the local sphere, the passive nature of policies against poverty, guiding them towards active policies framed within the development process? The question has been answered by various lines of thought that insist on the creation, at a local level, of dynamic sources of growth⁷ and on basing the fight against poverty on such a development dynamic⁸. In short, promoting “a local development that counteracts the present tendencies toward social disintegration and exclusion” (RECAL 2004:6).

4. Organisation, processes, allies

4.1. Observations on some institutional dimensions of the strategies and programmes of decentralised cooperation

The strategy of decentralised cooperation implies uniting efforts for the confrontation of common interest aspects in a heterogeneous sphere of experience on the part of the allied parties. On the basic level of poverty it connects local communities that are experiencing and living poverty according to many different

characteristics. On the other hand, it connects a great multiplicity of actors, public and private, involved in governmental structures that are frequently very different. Oriented towards poverty reduction programmes, it usually refers to a wide and heterogeneous range of actions, from typical government actions to the innovative and complex governance actions of the cities and regions. There are, therefore, many institutional challenges facing this kind of international cooperation.

Of course, DC by definition means the establishment of cooperation and collaboration mechanisms between cities, or between cities and regions of different countries. Sometimes such relationships do not occur in institutional voids, but they form part of the specific legal-political structures of the countries of origin, which are almost always very different. By way of example, think of the countless problems faced when arranging cooperation between a municipality from a unitary European state, ruled by relatively simple cooperation regulations on both a national and community level and a municipality of a country with a federal structure like Brazil, that, even if it is characterised by strong municipal autonomy, is also characterised by strong federal regulation, which is centralist in terms of international collaboration, and by somewhat more competitive than cooperative traditions in terms of social policies, when the three levels of government are considered.

It is true that, nowadays, many factors tend to favour the organisation and construction of cooperative forms in the field of public policy, among which the most significant are the new understandings of the role of the State and public ways of action which tend to reinforce alliances and network action, the activation of the civil society and its growing

⁷Through various strategies, such as training entrepreneurs, reinforcing micro and medium-sized enterprises, increasing the number of economic agents, promoting economic emancipation, generating institutional capabilities, etc.

⁸Via processes of training and education for work, transference of technologies, creation of supplier and marketing networks, etc.

involvement in public social programmes in different forms of association, including NGOs, the rediscovering of the “local” as the centre of individual dynamism and basis for special productive arrangements, and other elements. It is also true that the establishment of efficient forms of DC will be based on sustainable and efficient foundations, since they respond innovatively to challenges, experiencing new modes of cooperation, articulation and participation, fruitfully exploring these windows of opportunity.

Let us examine in more detail some of those challenges and the ways they can be overcome.

4.2. Defining common objectives: reconciling unity and diversity

In a way, building the social agenda of DC means constructing *unity in diversity*. It involves *efforts of harmonisation, combination and coordination, but also recognition of and respect for differences and particularities* of the regional and local member-partners.

This is the case because local communities that are organised into cooperation networks tend to differ greatly among themselves at organisational levels, in their resources and institutional capabilities, administrative and bureaucratic traditions, as well as in their programme priorities and the political orientation of their governments.

The establishment of common objectives is not intended to nor can it annul such diversity. On the contrary, it is about constructing programmed actions and interventions in diverse and unequal territorial units, according to objectives which are shared out, identified and accepted in mutual agreement. This process no doubt requires institutions and procedures that are capable of *reconciling and balancing the objectives of objectives and the principle of diversity*.

There may be many institutional forms of integration and these will naturally vary according to the particularities of the programmes and actions. Regarding the principle of diversity, it is possible that, once the objectives, the goals and the deadlines of a given programme have been established and mutually agreed upon, each federated unit will operate with its own methods and institutions.

The social area lends itself particularly well to such coordinated methods of action, as shown, for example, in international experiences such as the Millennium Development Goals or the European experience of poverty reduction goals and employment generation¹. The particular social consensuses tend to be favoured by approaches such as this.

4.3. Public Policies: integration and multisectoriality

In the terms being dealt with in this article, decentralised cooperation programmes aimed at reducing poverty are, by definition, integrated and territorial. And they will gain consistency and efficiency as far as the sectorialised and fragmented manners in which they are generally implemented are reduced

¹The European Union calls this procedure the *Open Method of Coordination (OMC)*. Launched in 2000 at the European Council meeting in Lisbon, it has been considered an institutional improvement on the decision-making and “governance” methods, after recognising the limitations of previous unification and harmonisation experiences and the need to make the integration of heterogeneous and sovereign states more flexible. The present EU social cohesion programme which established the goal of a 20% poverty reduction in two years was based on this method. The strategy involves the following steps: determination of objectives common to all the members; design of national action plans; selection of common indicators; exchange of successful experiences (good practices); implementation of transnational programmes which promote cooperation, supervision and monitoring; presentation of accounts and revision of goals.



and the more irrational forms of overlapping and wastage are eliminated.

Integration, institutional coordination and territorialisation are criteria that are inextricable from DC or, better still, that constitute the principal mechanisms on which the consistency and support of its policies and programmes rest.

It should be noted that there is no single model of policy integration, nor is integration reduced to a mere bureaucratic and administrative matter of a conjunction of traditional programmes with new organs. In an expression of the organisational and institutional complexity of the local sphere, such a policy rationalisation effort tends to simultaneously embrace the following modes of organisation:

- integration/coordination between the allies and the local and regional governmental institutions, with the aim of maximising opportunities and eliminating conflicts;
- integration/coordination in the territory or in its subdivisions;
- intersectorial coordination, that is, between sectorial policies with interconnecting impacts, under the criterion of a given target audience or a given territory.
- intra-sectorial coordination between different organs and players of a same policy system;
- coordination with the private sector in general and in particular public interest service providers;
- coordination and alliances with social organisations, communities and other actors, trying to articulate public demand and establish participatory and social control mechanisms.

Although they are well known, it is worth remembering the **territorialisation alternatives** which may guide the design and implementation of DC programmes in a given territorial/social space.

- *functional spatialisation*, which observes homogeneous areas of the space and the strategic objectives related to them.
- *transversality*, which distributes a single programme throughout the space, addressed at specific sectors or specific demands that are still generalised in the metropolis.

4.4. Local development players, partners and dynamics: decentralised cooperation organised in horizontal networks

It should still be considered that an agenda of this nature, apart from leaning on the mechanisms of the organisation, negotiation and complementarity between the crucial players, will tend to feed on the local capabilities and dynamics, on the autonomy and on the growing prominence of cities.

For this same reason, horizontal cooperation and collaboration networks between local communities are projected as an institutional alternative for the building of the social agenda of the metropolis. Organised on a defined territorial basis, articulating the crucial state and non-state players and integrating into local growth dynamics, the network action constitutes a multicentric structure that is quite favourable for integrated metropolitan policies.

Indeed, organisation into territorially defined networks ultimately expresses the recognition of the necessary and incomplete complementarity of social services and actors in the different municipalities, as well as the understanding that public action is more efficient when it is strongly connected to the collection of individuals, organisations and services of the cities or of groups of cities. It also responds to the desire to substitute fragmented programmes with integrated and

multisectorial programmes. And above all, it is made viable as it allows for articulation between partners that are endowed with some autonomy such as the municipal entities.

The *Favela-Barrio* Programme of Rio de Janeiro has registered some interesting results, among experiences of DC, resulting from the efforts of programme integration and social integration of its actions.

Begun in 1994, the Programme relies on an expected investment of nearly 600 million dollars, supplied jointly by the European Union, the IDB, the Municipality of Rio de Janeiro and the Federal Economic Savings Bank – (CEF) (a national finance agency). Other local partners and collaborators are the Support Service for the Small and Medium-sized Enterprise (SEBRAE), the Centre for the Democratisation of IT, the Social Enterprise Realisation Services and Studies (SERE) and the Associations of Inhabitants.

This is a mega-programme of urban intervention, focused on small, medium and large favelas in the municipality of Rio de Janeiro. Its general objective is that of integrating the favela into the city, endowing it with all the public infrastructure, services and equipments, benefiting 45 percent of the people living in favelas. In line with present conceptions and orientations of poverty eradication programmes, it observes the principles of territorialisation, integration and diversification of actions, as well as the active participation of local communities in all the actions, from its design to its implementation.

The scope of the Programme is enormous, containing, among others, the following types of intervention: the paving of streets; the construction of water systems, sewers and drains, children's day care centres, parks, rest areas and multi-sport

facilities; river canalisation; slope contention and reforestation; the relocation of families that live in risk areas; the identification and legalisation of the names of streets and leisure areas; promotion of employment and income generation and improvement of the socio-economic level of the families; the facilitation of access to Federal Economic Savings Bank (CEF) credit for the inhabitants for purchasing construction material for building and improving their houses; educational programmes (literacy and 1st and 2nd grade conclusion); sports and professional training; computing courses; forming cooperatives; the legalisation of commercial endeavours; the installation of telephone services and the creation of libraries for children and young people; programmes of support and prevention for populations at social risk such as young people involved in crime.

Favela-Barrio is recognised throughout the world as one of the soundest programmes of urbanisation of deprived areas, having been selected among the best projects presented at Expo 2000 in Hannover (Germany) and received praise at the International Architecture Biennial of Venice in 2002.

5. Final observations

How can the new concepts of poverty and social development contribute to the institutional orientations and development of decentralised cooperation in this area? At this theoretical-analytical level, the nuclear line of argument of this article could be summarised as follows:

The common objectives and the strategies of decentralised cooperation projects on the issue of fighting poverty and encouraging social inclusion find the most



adequate grounds for their definition and conceptual setting in current studies on poverty.

As the last section was intended to show, this is the preferred theoretical level that can sustain, for decentralised cooperation, economically dynamic, socially fair and politically democratic strategies in the matter of poverty eradication.

At the strategic-programming level, which naturally evolves from the former, decentralised cooperation can and has found support and backing in the strategies of poverty confrontation that prioritise:

- investment in the development of people and of local communities;
- the programmatic orientation of “focusing on the general”;
- the principles of productivity, equity, support and promotion of the capabilities of people and local communities.

Finally, on an *institutional level*, attention was focused on the positive reinforcement that decentralised cooperation can find whenever it is oriented toward:

- the creation of local institutional capability;
- the reinforcement of the autonomy of local communities and of the independence of individuals;
- the generation and reinforcement of intercommunication between people, of relations of trust and respect, namely of the local social capital
- the good use of the potential of network action, both for the organisation of the cooperation itself and principally for the local establishment of long-lasting actions toward social cohesion and poverty reduction;
- the reinforcement of participating strategies, both within the international networks and in the locations of the actions.

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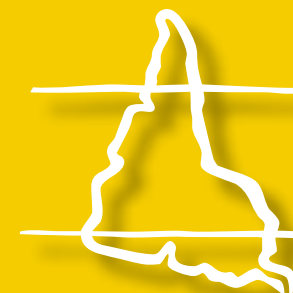
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1. INTRODUCTION

Among all the international cooperation activities developed by the city of Sao Paulo, the URB-AL Programme deserves special attention. Firstly, because it is a programme developed exclusively for promoting decentralised cooperation between the cities of Latin America and the European Union. Secondly, it is not just about a fund with resources destined for projects developed by a specific city. The URB-AL Programme is a decentralised cooperation network of the European Community aimed at the main areas of urban policy, at the participation of the local communities of Latin America and Europe, as well as other urban sectors showing interest.

São Paulo was chosen to coordinate Network 10 – Fight against Urban Poverty, among other reasons, because it showed the institutional capability to manage the Project from the then recently-created Municipal Secretariat for International Relations and to attract sectors of urban poverty, developing efforts to combat it. With a population of 10.4 million people (2001) and a GDP that corresponds to 36% of the state's and 13.7% of the country's, São Paulo has high indexes of poverty and unemployment.

URB-AL Network 10 – Fight against Urban Poverty has the mission of improving the quality of local public policies for fighting poverty in the cities of Latin America and Europe. Data from the UN (1999) showed 2.8 billion people in the world living under the poverty line (2 USD/day) and 1.2 billion living in absolute poverty (1 USD/day). With the purpose of attacking that figure, Sao Paulo acted as intermediary between the local autarchies in the creation of agreements for the implementation of long-term actions with the support of the European Union.

A strategic reference and contractual obligation for the development of the Project was the preparation of a Base Document. For its making, three guidance documents were used. Data gathered in the survey answered by the members of the Network was also used for the production of the document. In the case of the surveys, the objective was to find out how the members of Network 10 characterise poverty.

Among the results obtained, there were those that considered any person who needs help, such as that one pro-

vided by charity entities linked to the Church, as living in poverty. A considerable proportion was based on insufficient income criteria (less than 1 or 2 dollars/day or a percentage of the local average income), others adopted the non-satisfaction of basic needs for life in society (food, clothing, shelter); in addition to comparisons with average life expectancy. Another form used to calculate the number of individuals in poverty is the Human Development Index (HDI). There are also cities that build their own indices and multidisciplinary methodologies, taking several factors into consideration, from income to degree of violence in the places where they live, from access to drinking water to the educational level of the head of the family.

In the surveys, the members also pointed out the groups that were most affected by poverty in their cities. Notice the classification of both continents in the table.

Table 1

Latin America	European Union
1º Black people	1º Immigrants
2º The elderly	2º The elderly
3º Immigrants	3º Ethnic and drug-dependant minorities
4º Single parent families	4º Physically disabled people, women and the unemployed
5º Young people and native Americans	5º Black people

2. THE NETWORK 10 CONCEPT OF POVERTY

Of all the analysed concepts of urban poverty and social exclusion, there is not one that may be exclusively applied to the various degrees of economic and social development and the political and geographical differences of the area contained by the URB-AL Programme, made up of 33 European and Latin American countries. Indeed, the understanding of urban poverty and social exclusion inescapably entails the recognition of its multiple dimensionality. The aspects to be measured, observed and worked with in the identification of the phases / degrees of poverty go beyond income. It is necessary to consider not

only insufficiency of income, in which employment and salary have an important role, but also access to public services of health, education, adequate amounts of drinking water, refuse collection, food security, access to the services of urban life (collective transportation, cultural offer, recreation and leisure areas, among others) in a way which is both equitable and non-discriminatory in terms of race and gender.

Exclusion, in contrast to poverty which is based on objective criteria (income, housing, fulfilment of basic needs), implies the mobilisation of several subjective aspects such as feelings of rejection, the breakdown of community and social bonds, the interruption of the mechanisms of solidarity and reciprocity. Urban poverty added to social exclusion is the opposite of citizenship..

3. MEETINGS

Apart from the Network Launching Conference (2003) and the Annual Meetings (2004/2005), Network 10 has been involved in several agreements and organised seminars and regional meetings with the objective of consolidating and organising the group of members and spreading the concepts and methodologies of this Thematic Network, in addition to intensifying the argument on the fight against urban poverty and the promotion of social inclusion.

In the three-year period, 57 proposals for type A and type B common projects were submitted to the European Commission, of which 18 were approved (17 type A and 1 type B). From the start, coordination of Network 10 has been committed to the solution of problems in the sub-nets formed from the first approved project (coordinated by Saint-Denis, France) in the call for projects of April 2003, to the two new common projects approved in the call for projects of April 2005: Genoa (Italy) and Montevideo (Uruguay) – types A and B, respectively. The same dedication was observed in the advice for proposed projects sent in the call for projects of October 2005, with the expectation that the members would guarantee quality proposals in the preparation of type B projects for the last Network 10 call for projects, in April 2006.

Among the topics dealt with by the approved projects, it is worth mentioning the studies carried out by the Observatory on social inclusion, intersectorial policies addressed at children, young people, adults and the elderly, the strengthening of local public policies for combating poverty, including the territorialisation of social indicators, health and school truancy, in addition to integrated strategies to reduce social exclusion.

4. APPROVED PROJECTS

1. "Methodologies and tools for the creation of social inclusion observatories in the cities", coordinated by Saint-Denis (France).

2. "Social inclusion through intersectorial policies", coordinated by Belo Horizonte (Brazil).

3. "Local Administration as a guarantee for the assistance of citizens and generating new employment positions: exchange of experiences, revision of policies and drawing up of proposals", coordinated by L'Alt Empordà (Spain).

4. "Equipping localities to combat poverty", coordinated by Jacareí (Brazil).

5. "Manual of public health policies for fighting poverty and improving quality of life," , coordinated by Rio Grande da Serra (Brazil).

6. "PRACTICAR: laboratory of practices for strengthening local public policies for the fight against the new urban poverty", coordinated by Rome (Italy).

7. "Analysis of social indicators from a territorial perspective", coordinated by Malaga (Spain).

8. "Integrated strategies for reducing social exclusion in the young population and among people over 45 years, especially women, in the tertiary sector", coordinated by Lloret del Mar (Spain).

9. "Promotion of the use of geo-referenced information systems in the projects for fighting poverty of young people in the suburbs", coordinated by Guarulhos (Brazil).

10. "Extreme poverty and hunger: responses by local governments", coordinated by Vila Maria del Triunfo (Peru).

11. "Integration of immigrants in the city as a way of fighting poverty", coordinated by Granada (Spain).

12. "Methodology exchange and indicators for the assessment of the social employment policies in the cities of Latin America and the European Union", coordinated by General San Martin (Argentina).

13. "Municipal policies and actions for food security: reality, limitations and intersectorial possibilities", coordinated by Piracicaba (Brazil):

14. "Training technical personnel in the municipalities to use international cooperation programmes as tools to combat poverty in their local projects", coordinated by Queretaro (Mexico).

15. "Manual for urban development of precarious settlements with a focus on the child", coordinated by Latina (Italy).



16. "School truancy as an indicator of the violation of human rights: a challenge to public policies", coordinated by Viña del Mar (Chile).

17. "Job creation and environmental recovery: cooperation among different local agents", coordinated by Genoa Province (Italy).

18. "Cities and citizens for social inclusion", coordinated by Montevideo (Uruguay).

5. MEMBERS

Network 10 reached the end of its third year of operation with a higher total number of members than was anticipated by the European Commission: 378 members in 28 countries (269 local governments and 109 external members). This is an effect of the mobilising and animation work carried out since the beginning of its activities. In 2005, especially, the incorporation of a large number of small and medium-sized towns took place.

Of the total members of Network 10, 117 are from the European Union and 261 from Latin America, distributed as follows:

Table 2

Distribution of Members	Latin America	European Union	TOTAL
Full Members	122	58	180
Observer Members	64	25	89
External Members	75	34	109

Of the 378 members of Network 10, 310 participated as coordinators or members of projects presented to calls for projects. Of these, 126 took part in approved projects. These numbers do not account for members involved in the call for projects of October 2005.

In order to maintain the members' network active, Network 10 relied on several communication and information tools, such as e-mail, monthly bulletins and its website (www.urbal10.sp.gov.br), which helped in publicising the work, in the dialogue with members and in the stimulation of exchange of experiences and knowledge on urban policies to combat urban poverty and the promotion of social inclusion among its members and other Latin American and European political agents involved in the issue.

6. FINAL PUBLICATION

Network 10 – Fight Against Urban Poverty produced a CD-ROM which compiles a series of information about the useful life of the Network in its three years of existence. Apart from the website, the CD also includes the Final Publication of Network 10. This document was developed by the Centre for International Negotiations of the University of São Paulo (CAENI/USP). The CD-ROM will be sent to all the members of Network 10 at their official addresses.

Among the special articles in the publication, which contains presentation letters by the Mayor of Sao Paulo, José Serra, and by the Municipal Secretary for International Relations, Helen Maria Gasparian, there are issues such as the international role of cities in the 21st Century, globalisation and combating urban poverty, the URB-AL Programme as an innovative proposal of international cooperation, São Paulo and Network 10, the experience of fighting urban poverty and new challenges.

7. HUMAN RIGHTS

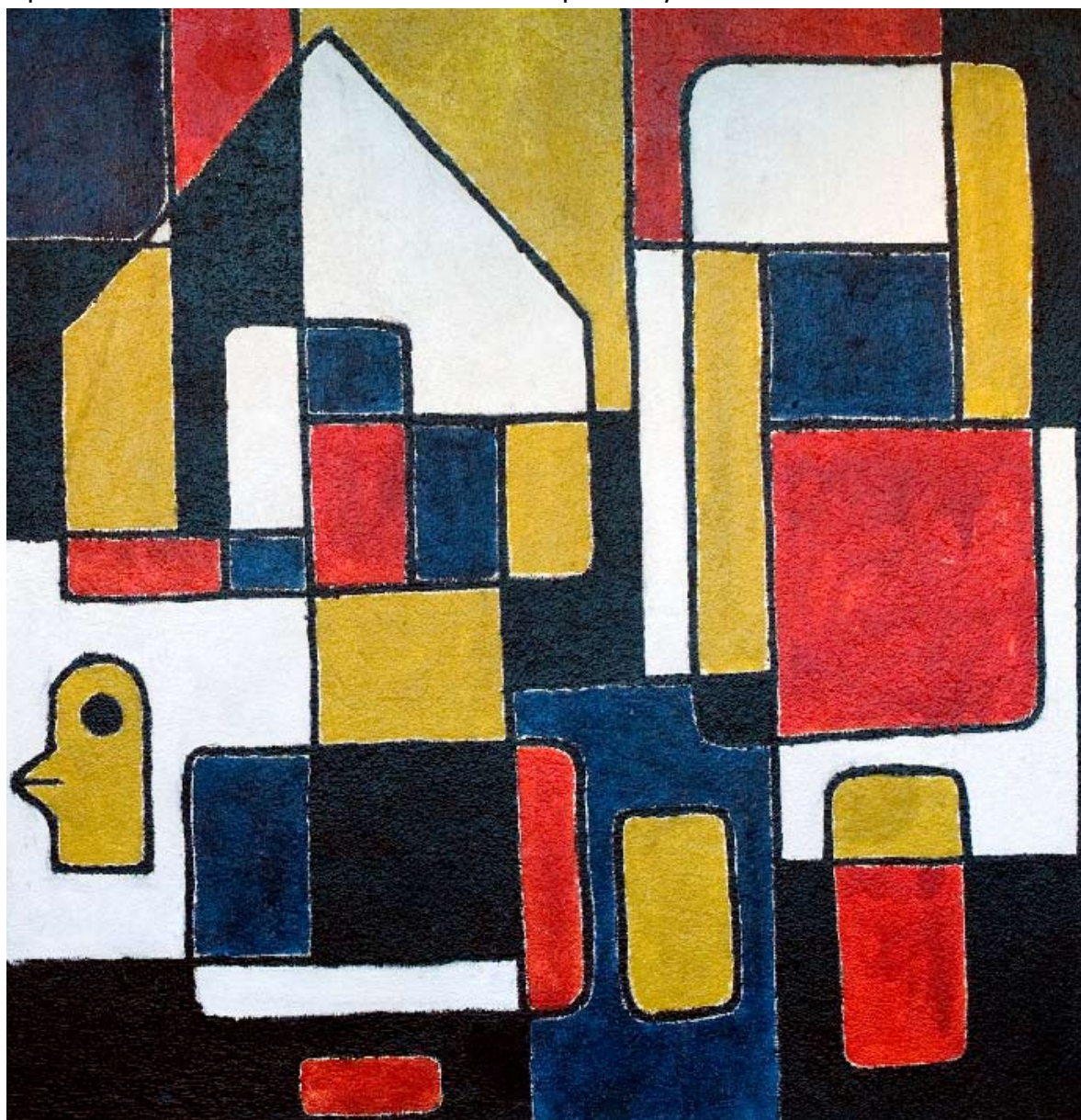
Throughout these three years of Network 10 activity, the city of São Paulo made progress in the discussions of the topic of urban poverty related to human rights. This approach has been present since the Network 10 base document was drawn up, which already considered the phenomena of social exclusion as violations of human rights, and it became one of the issues discussed at the second annual conference, in 2004, and at the closing conference (in 2005), when the topic Poverty as a violation of Human Rights: the role of cities in meeting the Millennium Development Goals and equity was discussed.

With the aim of getting to know the perceptions of different sectors of society on the question of Human Rights, the Municipal Commission on Human Rights (CMDH) began to structure the Human Rights Observatory, focusing on the definition of joint intervention strategies with the population of São Paulo.

The Observatory's first action will be a quantitative survey of the level of guarantee of human rights in the city, called SIM Human Rights – Urban Monitoring System. Within the scope of the work are general perceptions of human rights, attitudes and behaviour related to the topic, human rights in Brazil and in the city of São Paulo, public policies and levels of association such as the participation of NGOs, neighbourhood associations, volunteer work, social projects, etc.

The proposal for setting up SIM Human Rights resulted from the need to obtain a diagnosis of the situation of human rights in the city of São Paulo, as well as becoming an instrument for monitoring the evolution of the guarantee of these rights on which to base the proposals for actions and the priorities of the CMDH. This initiative favours the conditions needed to strengthen the role of São Paulo in the expansion of the results collected in several initiatives car-

ried out by the city, such as the URB-AL Programme and the experience of coordinating the Thematic Network of the fight against urban poverty. This experience indicates, above all, the existence of conditions for the development, together with the URB-AL Programme, of new standards of continuity and progress in the role that the city has occupied in the global urban scenario, in new directions consistent with the path already taken.



Social Cohesion and Poverty Reduction



The other half of humanity: Cooperation and gender.

KEY WORDS

*Decentralised cooperation |
Gender policies |
Equality programmes |
Micro-credits |*

Development cooperation is an instrument that contributes to equality among people and nations. In spite of this, certain needs are often not taken into account, as certain figures for cooperation from the point of view of gender show. It is thus necessary to face the challenge that women go from being the object of the policies to being the agents, that is to say parties that are directly involved. The success of certain programmes of micro-credits granted to women provides proof of the changes that take place in the population as a whole when women have access to education or to a minimum amount of economic independence. Decentralised cooperation is an excellent instrument for the promotion of policies aimed at transforming outdated models that are based on the charitable approach and on the strengthening of the patriarchal model. Proximity, the possibility of exchange, the relationship between the closest levels of administration and the daily needs that are characteristic of decentralised cooperation, allow other focuses in which it is easier to formulate proposals that are more in accordance with reality and that question the roots of inequality based on gender.

** Presidential Commission of the International Programmes of Equality and Citizenship of Barcelona Provincial Council, with the collaboration of Santiago Sarraute Sainz.*

*M^a Dolors Renau Manen**

1. Some general considerations

If we were capable of including an authentic gender perspective in the heart of development cooperation, we would have taken an enormous step towards justice and equality among all human beings. Development cooperation, a privileged instrument of the foreign policy of any country or group of countries, is a powerful means of advancing on the road to equality among people and nations. It also responds to an important analysis of the negative consequences caused by the enormous economic and social imbalances that exist between the different regions and countries of the planet. From this point of view, the inclusion of a real and effective gender perspective into the plans, objectives, execution and valuation, would entail not only the inclusion of women –as object and subject—in political life, but also something more profound. It would mean opening the doors to considering human beings with a new perspective, considering them as men and women. As obvious as this consideration may seem, there are important obstacles to the possibility of translating this into political reality. The indisputable fact that the human race is composed of men and women is denied in practice, as is the fact that the existing “differences” between the sexes generate social, cultural and political responses that are not only different but also unequal. From this point of view, “inequality” implies a negative social sanctioning of the “difference” considered from the vision of those who have the power of deciding who are *the equal ones*, that is to say, those that constitute the *references*. This sanction has been and will continue to be justified with a thousand reasons: biological, religious, cultural or even philosophical or psychological. What is less relevant is the manner in which the situation of inferiority, dependence and subordination of half of the human race born women has been disguised

and justified. What is relevant is how a social construction based on a conception that excludes half of the human race has been able to continue existing throughout the centuries.

Deep-seated in almost all the cultures that coexist in the world, we must therefore face the first and most serious difficulties inherent in going from such an obvious affirmation (the human race is composed of men and women) to the design and application of the policies and actions that result from such a statement. The most profound obstacle is based on “culture” – here understood as a substratum of “beliefs”—in Ortega and Gasset’s sense of the word. This “culture” appears so “natural”, so obvious, that to become aware of its existence and the marginal role it plays is a task that –in the case we are dealing with—has demanded centuries of non-violent struggles, often considered ridiculous and always taken as “secondary” from the point of view of the major social movements that have focused on the freedom and equality of all human beings. On the other hand, we are not conscious of the consequences that that fact that inequality based on gender is the most damaging for development has on social and economic development as a whole, which is the cause and at the same time a consequence of the current marginalisation of millions of women and the invisibility of their needs).

We are also facing a challenge that goes far beyond this question and that, like the former point, is a constituent part of our patriarchal world. As Amartya Sen says, it is necessary to move on from the situation in which women are an “object” of policies (and in this specific case of development cooperation policies) to one in which they are the agents of these policies and are capable of designing their own agenda. From this perspective, the plan is not only to define, propose and execute programmes aimed at women, but also that they themselves design, propose and execute programmes and strategies that are in accordance with their needs, their vision of the world, their values



and their priorities. These will most probably coincide, although only in part, with those designed up to now. Women have different life experiences, different emergencies that they live in their daily life, deep-rooted habits of the preservation of life and other potential that even today they have still not found a way to express in public. Some other examples might be, for instance, the constant, tireless work performed by many groups of women around the world in the struggle against war and violence; the continuous struggle by mothers in all the corners of the world, who are against the idea that their children kill or be killed, are all examples of elements of renovation, not only ideological but also political and practical. These are an indication of the need to establish different strategies at the political decision-making level, as has already been indicated by the UN Security Council.

On the other hand, the following facts are real, at last, and cannot be changed. The success achieved by certain programmes of micro-credits granted to women, the observation of changes that take place in the population as a whole, when they have access to education or a minimum degree of economic independence, the role they play in sustaining life, in caring for old people and children, in refugees camps or in conflict zones ... Are these not enough evidence of the urgent need for women to be *not only objects of cooperation*, but also fully active subjects in the process? Programmes and activities aimed at women cannot be an addition, an afterthought, a nuance, a “sectorial” type of activity. Even less should they be valued as charitable activities. We are talking about justice and politics. The issue here is that women should be present, here too, in this type of public activity, in the spaces where decisions are made and executed; that they become active agents of their own development and that they may contribute their knowledge, their voice and their sensitivity to each and every cooperation activity.

2. Some figures on cooperation from the gender point of view

As happens in many other areas of the social sciences and of the political analysis that these study, existing data on decentralised cooperation from a gender perspective is scarce or vague. A systematic and disaggregated collection of data, necessary to be able to analyse the extent to which women and their specific development needs receive special attention, does not seem to be a priority so far. However, there is no doubt that several stable international organisations and some public bodies and NGOs are interested in assigning priority to activities aimed at women, as they are considered to be the most vulnerable section of the population. Still today, this interest – and even the actions that result from it— are not systematically transferred to the figures offered by some international organisations, or in our own country’s numbers. Given the lack of precise data regarding decentralised cooperation from the gender perspective, we have taken as our first reference some existing figures on cooperation in general, considered from the point of view of countries and states, and knowing that progress in the Observatory’s work will allow us to obtain better knowledge of the situation.

2.1. Financing cooperation activities aimed at women. 2.1.1. International sphere

- As can be seen in Table 1, the study performed by the OECD is based on the economic commitment made by the countries belonging to the organisation between 1999-2003, for cooperate for development. Aid destined to the areas of transportation, communications and energy constitute one third of bilateral aid. A very small proportion of this aid

is dedicated to promoting equality between men and women.

- Total aid in the area of development from the different OECD member countries is valued at 17.2 million dollars. Of these, 3.1 million are aimed at achieving equality between men and women., that is,, 18% of the total. In any case it is difficult to establish whether this number corresponds to reality, partly because there is little information available for 40% of the countries, and partly because we do not know the system by which the criterion “equality of opportunities” has been valued.

- The same study reports that two thirds of aid devoted to the promotion of equality between men and women is classified under the heading “basic social sectors”, that is to say education and health (including reproductive health in all its aspects).

- In comparing the areas in which there is a clear financial commitment, we can see that in certain sectors, general expenditure varies enormously with respect to the expenditure aimed at women. Thus in the areas of education, governance, civil society and health, the portion destined to women is higher, while it decreases in infrastructures.

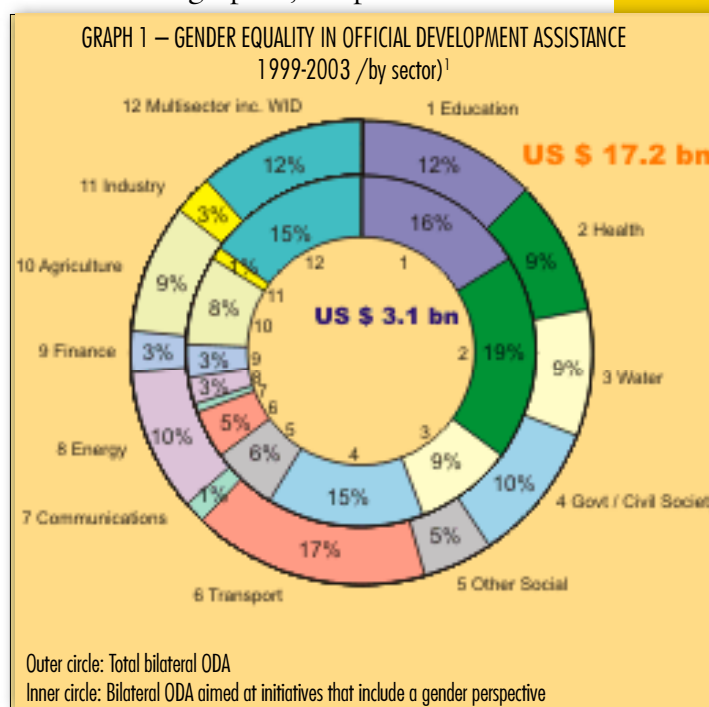
- While certain member countries of the OECD seem to wish to extend the gender perspective to all their cooperation activities, others limit themselves to focusing on specific programmes.

2.1.2. The Spanish sphere

In the specific case of Spain, we have some figures relating to the progress of the Annual International Cooperation Plan for 2004, which shows the evolution of cooperation figures for Spain. Projects are characterised according to the subject classification of the Development Assistance Committee (DAC). Among the different themes, there is one specifically catalogued as “Women and Development”.

According to these figures only 0.99% is destined to projects in this category. However, after thoroughly analyzing the corresponding thematic areas, it can be seen that according to the distribution by sectors of gross bilateral ODA, in 2004 contributions were made that were destined indirectly to women: this is the case of reproductive health, family planning and training for professionals and reproductive health. In total, these three sections add up to an average of 0.48%. If we add this to the section of women and development, it adds up to 1.47% of financial effort.

However, this ridiculous figure may not really correspond to the amount dedicated to women and their development and participation in active or public life. As we can see in graph 1, cooperation activities



¹Coverage: given that not all of the members of the DAC send information related to gender perspectives in their Official Development Assistance (ODA), this chart covers only 50% of the total ODA declared by sector for the years 1999-2003.

intended to benefit women are also included in other sections such as governance, education and health. Consequently, the percentage may be somewhat higher.

2.1.3. The sphere of Spanish territorial administrations

In the case of activities financed by territorial administrations, the percentages of projects aimed at benefiting women are somewhat higher than in those of Spanish ODA and of the totals of OECD member countries. Specifically, funding for Latin

America provided by the Spanish autonomous communities (AC) in 2004 shows that the percentage of funding of activities catalogued under DAC sub-section “women and development” is of 3.81% with respect to the total for this geographical area. This percentage should be added to those activities that, being characterised under other DAC sub-sections, also aim to benefit women (see chart 2).

If we consider activities that are not catalogued in the DAC sub-section “Women and development”, the financial percentage increases to 11.20%, as shown in Table 3.

Table 2: Spanish regional cooperation activities in Latin America (by sub-sectors)

Description of the DAC sub-sector*	Nº of activities addressed to AL***	Nº of activities addressed to AL but with the gender perspective**	Funding of the activities addressed to AL. (€)	Funding of activities addressed to AL but with the gender perspective. (€)
Not specified education level	77	6	4.957.176,69	584.651,49
Basic Education	69	3	4.832.557,67	299.983,00
Highschool Education	54	7	4.618.913,02	636.927,93
Post.highschool education	21	1	1.179.150,01	180.000,00
General Health	29	3	2.404.632,75	704.537,20
Basic Health	105	9	9.224.479,06	1.077.540,58
Programmes/ Policies on population and reproductive health	28	7	1.360.276,68	652.557,67
Government and the Civil Society	98	13	9.863.998,61	1.238.460,40
Other Multi.sectorial	183	9	18.978.200,58	711.821,66
Generation and provision of energy	12	1	840.743,88	14.325,00
Banking and financial services	5	1	342.310,20	120.000,00
Companies and other services	4	1	384.698,00	90.758,00
Agriculture	104	3	11.698.212,66	702.315,58
Industry	45	1	3.102.888,46	21.973,00
Commerce	4	1	197.989,89	52.033,33
Women and development	45	45	4.315.046,60	4.315.046,60
Other, multisectorial	126	10	16.134.931,44	970.210,79
Development assistance and food safety	7	2	817.732,93	310.443,96

* Listing of subsectors where some research has been made on any activities related to gender.

** By the phrase “activities with gender perspective” we mean those identified in the DAC categories as women and development and whose title incorporates women related to the term.

*** By Latina American countries we consider those that are object of study by the Observatory, that is, all South American and Central American countries plus Mexico and Cuba.

Source: Own elaboration

The figures shown above indicate the extent to which cooperation actions are oriented towards the needs of women. However, behind those figures are the reasons behind these individual actions. Two of the main characteristics to differentiate practices are the degree of control exercised by women over the activities of the specific project and the degree of advances in their decision-making capacity and the real autonomy that is obtained as a result.

Barcelona Provincial Council. The main objective of this network is to share experiences and promote common projects between local entities of the EU and Latin America, with the purpose of proposing new city models, through the mainstreaming of equal opportunities policies and the promotion of women's active citizenship. The network currently has the participation of 271 territorial administrations in LA and the EU, of which 135 have met in seminars and 80 are taking part in exchange projects.

Table 3: Activities in the DAC subsector "Women and Development" including the gender perspective in Latin America, 1999-2003

	Nº activities addressed to AL	Percentage with regards to total	Finance of activities addressed to AL (€)	Percentage with respect to total
Activities catalogued in the DAC subsector "Women and development"	45	3,63%	4.315.046,60	3,81%
Activities with gender perspective	123	9,94%	12.683.586,19	11,20%
Total activities in LA	1238	100%	113.197.045,39	100%

2.1.4. Cooperation activities supporting women as part of the international relations of territorial administrations.

There is no general data regarding those decentralised cooperation activities addressed at providing support to women that emerge within the sphere of the international relations of territorial administrations. However, it is an area where, potentially, the support provided by decentralised cooperation might be important.

One of the most relevant experiences on which data is known is that of the network of "Promotion of women in the local decision-making" as part of the European Commission's URB-AL programme, which is coordinated by

2.2. The benefits of supporting women: the case of micro-credits.

Some experiences show that guiding support from a gender perspective may maximise the results obtained from resources invested. The case of micro-credits is probably the most relevant one. Financial organisations are granting micro-credit loans basically to women. The figures that support this statement are as follows:

- According to the Women's World Banking network, 90% of micro-credits in the world are granted to women.
- "Women are the centre of micro-credits in the developing countries and represent 82.5 of the 54.8 million people that have accessed the



“bank of the poor”, created by the Bengali economist Muhammad Yunus, more than 20 years ago”.²

• Acción Internacional (International Action), one of the pioneering institutions in the area of micro-financing, has granted loans to 2.3 million micro-entrepreneurs, of which 65% were women³.

The reason for granting more micro-credits to women is related in part to the feminisation of poverty. In effect, according to Bárbara Mena, 70% of the poor in the world are women, due, among other factors, to limitations in access to education and to resources such as land or credit. But also, financial institutions have noted higher reliability in loans to women. In short and according to Muhammad Yunus “Women that live in poverty adapt better and more quickly to the assistance process than men do. They pay more attention, try to ensure their children’s future in a more efficient manner and show greater commitment to work”.⁴ Also, according to the Grameen Bank, the rate of loans returned is usually higher, of over 95%.

2.3. The first conclusions

As we have emphasised in our reflections, it is essential that we make a special effort to promote women’s integral development. We have noted the urgency first of all of making an extra effort to obtain systematic and reliable information showing a breakdown of investment and donations figures for the population in general and/or for women. With general classifications we frequently find deviations that, as has been said, respond to a long tradition of forgetting and differentiating women.

In the second place it must be noted that, even with a very optimistic accounting perspective on the figures given, the percentage of resources destined to women is quite scarce, at least in official accounts.

In the third place, it is impossible with the data available to differentiate between projects

aimed at women and those managed or administered by them.

The lack of visibility and confusion and the scarce presence in public, are also evident while looking at the figures and in their analysis and does not seem much different to the level of awareness that exists in social and political lives. In this case, the figures seem to be a faithful reflection of the reigning darkness.

3. New perspectives

Decentralised cooperation is an excellent instrument for the promotion of policies aimed at transforming outdated models based on two characteristics: the charitable focus and the strengthening of the patriarchal and exclusive model that exists at the heart of every culture. Proximity, the possibility of exchange, the relationship between the closer levels of administration and the daily needs that are characteristic of decentralised cooperation, allow for other focuses in which it is easier to draw up proposals that are more in agreement with reality and that tend more towards questioning the roots of inequality based on gender.

1. It is evident that the principle of equal opportunities for all human beings and the total respect for their dignity must be the inspiring principles for all specific actions aimed at attempting to alleviate inequalities. It is a matter of justice. More so if we remember once again that this abstraction (which is so concrete, on the other hand) that we call “human beings” is composed of men and women in equal parts. Therefore, we must first of all dedicate resources, efforts, human capital and creativity to *giving a different treatment* to that part of the human

²Women today: Micro-credit for women; www.mujireshoy.com

³Barbara Mena: Micro-credit: an effective means to alleviate poverty; www.cambiocultural.com.ar

⁴Women today: Micro-credits for women; www.mujireshoy.com

race that has been left behind for centuries for reasons of gender.

Nobody can deny the relevance of this focus, especially if we bear in mind that the effects of economic globalisation, structural changes, violence and wars have been harming and impoverishing women to a significant degree; it is little wonder poverty is said to be becoming female. As a result, specific cooperation activities in the fields of women's health, literacy campaigns, professional training that help the most helpless members of the population to improve their situation in meeting the difficult challenges they face, are welcome. For the little amount that we know, these are the aspects on which most work has been done until now.

2. But we should explore another aspect that is less visible, but has enormous importance for the future, in greater depth. We talk about working along the line that has been named "empowerment" (for want of a better word). While it is true that poverty, violence, lack of culture, and hunger are major obstacles that need to be overcome in order to propose any progress along the established line, we cannot forget the following fact: a programme, a project, an action may contribute significantly to achieving a higher level of personal autonomy, developing the decision-making capacity about one's own destiny, to providing a certain degree of power, to increasing self-esteem, etc. does not depend so much on the *content* of what is being done, but more *on how it is done*. The beneficiaries becoming active subjects, agents for planning and action, depends on this *how*. Every cooperation action entails the opportunity of increasing self-esteem, autonomy and self-worth. Every activity must constitute a lesson in human maturity. Otherwise, it will only prolong dependence on the "donors" and with this, the social and political coming of age.

3. Due to all the above and without forgetting cooperation aimed at the basic aspects of human development (education, health, preparation for work, . . . etc.) we need to start

increasing cooperation action aimed directly at helping women obtain access to decision-making spaces, especially regarding policy. In the case of decentralised cooperation, it is evident that the objective is to strengthen local powers, those located at the level closest to citizens. The relevance of this type of cooperation regarding women is enormous. In effect, their lives are generally lived within the local boundaries: they are the first users of the services that depend on local administrations: they go to the market, take care of the family's health, procure food and water, take care of the sick, etc. A good part of their activities take place through the most immediate and tangible resources. When special requirements arise, they are the ones who manage them. It is little wonder they often turn into local leaders or intermediaries between the citizens and the authorities. But these capacities of involvement, commitment and leadership – most than often born from the pure need for subsistence for them and their families—stop on the threshold of political power. Only a few have been able to obtain public responsibilities based on their experience in handling day to day and community problems. Political power frequently shows an inhospitable and hard face to women and appears as if it were meant only for men. And on the contrary, there is no better school of politics what is learned in the local sphere, in the practice of resolving community problems.

We need to cooperate to give women back the power that has been diverted and usurped from their activities in day to day life in managing difficulties, in solving relevant problems that are, in the end, are those that contribute to or hinder the general welfare.

This aspect of cooperation (there are interesting experiences of exchange between women with local political responsibilities on both sides of the ocean), is extraordinarily rich and relevant, although still scarce. In the meantime, politics suffers from a lack of realism and humanity but is overrun with pompous



words and personal interests. The issue of really incorporating women into political decision-making may contribute to its humanisation and increased closeness. Not only do women have a right to act in politics, but politics and political power will be strengthened by new wisdom, will offer a different image and will approach real human needs.

4. Beyond the issues raised so far, it might be useful to try and open our minds and practices to new perspectives in this area. If human beings consist of men and women; if, as we have seen, the simple fact of being born a woman implies already, in the majority of cases, fewer possibilities of achieving the minimum welfare for human beings; if this situation tends to continue in time and space and the possibility of change collides with difficulties that are deeply rooted in the collective unconscious, maybe it is time to present a more radical proposal for fighting against the causes that perpetuate this discriminatory situation.

Development cooperation must attack the problem at its roots. To *include* women as a subject and agent of their own future and to grant them the opportunity to design, implement, control and decide their priorities and the fields in which they want to work, *may turn out to be a new conception of who the human being is, what his or her deepest needs are and what the values are that we need to work for.* The question that arises from this proposal is the following: What is the meaning of this phrase that has been heard so frequently in political speeches, saying that human beings must be at the centre of political life? And, how should we apply this phrase that is so politically correct to the area of decentralised cooperation? The concept we have of the human being and his or her needs will determine the route along which politics in general and the guiding lines for development cooperation will run. If, as neoliberals proclaim, human beings are moved principally and almost exclusively by individual and above all economic interests, in what seems

to be a modern version of the “dog eat dog world”, what is most important and almost exclusive in politics is the economy, considered as a motive for individual interests and regulated almost exclusively by the market. The market as a substitute for politics. More market equals less State . . .

There are other ways of conceiving what the human being is. In the first place, human being, man and woman, with the same dignity, the same human rights and the same opportunities for life. Capable of providing to the whole of public life their individual qualities, sensitivities, values and points of view that, born in the private sphere, are needed more urgently every day in the public sphere. The perspective that says that it is a dog eat dog world, beyond the paralysing pessimism this generates, is the result of a perverse oversight: women’s work for life, the intense work that they have done for centuries and continue doing today to create, preserve, protect and improve the lives of those that depend on them. Women have always had a strong commitment to life, a commitment that has served as a guide in their activities. And even though this work has never been recognised, nor has it inspired laws or marked milestones in philosophy; even though it has not appeared in history nor in the great deeds of war, this work belongs to humanity. Is a part of human heritage.

It is time for this to be recognised. And it is time for this work to appear as a “value” in public life so that it nurtures different criteria on what is or is not important to people. In effect, even in our Western societies, where there is a supposed level of welfare far above that in the developing countries, we do not only have great pockets of poverty but also mechanisms that exclude and abandon people. We could draw a large map of the loneliness that cannot be resolve exclusively –although may be partially—by means of public programmes and services. The image of the young, competitive, triumphant male,

gifted, daring and also physically attractive, dominates the stage and seems to be the only model for reference. The reference image of the human being does not suffer, feel lonely or sick, or grow old or die. We do not consider those aspects of human life that are also part of it and have the same weight as those qualities considered more positive. We have deleted from our daily iconography issues such as death, sickness and old age, as well as the need for company. In the end fragility and human vulnerability do not enter into the catalogue of human characteristics. And when they are taken into account, the spirit that supports the projects, programmes or political decisions appears as something “sectorial”, of a different and specific need, as something exceptional.

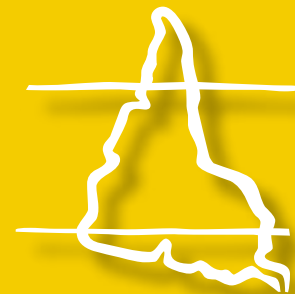
5. By changing gender relationships and incorporating this change into decentralised cooperation, we also open up new perspectives in this sense. Because the issue is not only that this change –which demands a change in mentalities, systems of power, values - opens the door to women and their particular way of understanding who they are and how human life should be. This change is in itself a path to deeper transformations. *These transformations will help us to redesign what is fundamental for human beings.* In this aspect, the Western world has a lot to learn from the countries with which it collaborates, countries that continue practicing ways of solidarity in their daily lives, in the lives of the community, that help drive out the ghost of loneliness and abandonment (even though the burden of this solidarity falls on women).

Beside minimum material welfare, what values do we consider basic to lead a more or less happy life? Don't we all need to feel loved? Cared for? Accompanied in our weakness? Don't we need to be recognised as citizens in our daily lives and political duties?

The gender perspective in Decentralised Cooperation should therefore incorporate other values and moral hierarchies:

- We must ask ourselves if the objectives of cooperation programmes respond to a *complete vision of the human being* –men and women and their needs, their differences, etc.
- We must reflect on how to *change gender relationships* in those areas in which we participate: in institutions, parties, communities, in our own programmes.
- We must incorporate those modifications that result from *the consideration of the important work of caring for others – and also that of production in all areas – as a human need*, which has been constantly left by the wayside and made invisible as it belonged to a strictly private sphere, i.e. the female sphere.
- As for concrete projects, we should analyse *each and every detail with a magnifying glass*, as they filter a patriarchal conception of the ways of understanding human development. We should go through *the language*, that very frequently and despite apparent neutrality or unconsciousness, expresses the bias that perpetuates the preponderance of one sex over the other one, disguised with “universal” forms that are profoundly exclusive in the sphere of the relationship between language, concepts and reality.

The gender perspective requires a reanalysis of the objectives of our decentralised cooperation, with an equal *presence* of men and women in their design and execution. Perhaps new paradigms will need to be built, joining the specific strength of decentralised cooperation – its proximity, dialogue, ease of communication, attachment to concrete areas—with an effort to achieve a profound change in gender relationships, thus opening new spaces that contemplate the needs of human beings, which have been systematically denied until now.



Social Cohesion and Poverty Reduction



Gender and local development in Latin America: Opportunities and challenges for decentralised cooperation.

Key Words:

Latin America |
Decentralised cooperation |
Local development |
Decentralisation |
Gender |

This article explores the potential advantages offered by decentralised cooperation for the promotion of gender equality at the level of sub-national governments in Latin America. The article starts from a discouraging balance of the integration of gender into people's thoughts and into traditional development modalities, indicating that in the Latin American region official figures reflect the persistence of gender inequalities at almost every stage of life. However, the article maintains that some of the new paradigms in perspectives of development, which are central to the concepts of decentralised cooperation –local ownership, good governance, assuming responsibilities and transparency, and empowerment, participation and control on the part of citizens, generate the hope of a new and more effective incorporation of gender into planning for development. The argument is also that the concept of decentralisation in Latin America offers potential advantages for the promotion of gender equality in local development programmes, if we manage to overcome the traditional utilitarian vision of the relationship between the municipality and women and if women are actively integrated into the processes of local development as autonomous legal subjects. Finally, there are some reflections on the possible ways in which decentralised cooperation could improve the process of the integration of gender into local development.

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1. Introduction

The purpose of this article is to provide an initial reflection on the possibilities offered by decentralised cooperation –this being direct cooperation between local governments—between the countries of the European Union and Latin America for the integration of a focus on gender into projects and programmes of local development. First a synthesis will be made of the current state of integration of the gender perspective into development processes, not only as a concept but as a reality in Latin America. Then the opportunities and challenges for the promotion of gender equality in local development programmes within the context of decentralisation in the region will be explored. Finally, given the lack of information and systematic evaluation of the projects financed by decentralised cooperation, and less still for those that integrate a gender perspective, some reflections that are basically conceptual will be made regarding the possible ways in which decentralised cooperation might favour the process of integrating gender into local development.

2. Gender within development: An unresolved issue

As of the 70s, the line of thought and planning for development began gradually to respond to growing demands from feminist academics and activists asking for the incorporation of women, their perspectives and interests into this subject. The accumulation of information on women's contributions to development and the negative impact of development policies that pay no attention to gender have on women, together with the construction of an international legal frame-

work that defines and defends the rights of women as human rights that are universal, indivisible and inalienable, have undoubtedly resulted in a paradigmatic change. This change from a purely economic vision of development to the concept of the human being, centred on people's welfare measured in terms of freedom and opportunities, or the expansion of people's capacity to "fulfil their potential and lead productive and creative lives according to their needs and interests."¹

The attempt to incorporate gender relations into the agenda for development as politically relevant unequal social relationships, has followed different paths, with varied results. Although the majority of the principal architects and actors of development policies and programmes -at least rhetorically- recognise the importance of equality in gender and of empowering women to achieve sustainable development, there is still a long way to go until these well-intentioned expressions turn into normal practice in the majority of development interventions. Several reports indicate that the change of strategy, of specific interventions oriented to the promotion of equality in gender mainstreaming policies for every development programme has met with several difficulties due to problems related basically to a lack of understanding of the concept of mainstreaming (it is seen as an end in itself instead of a strategy to achieve gender equality) and of what has been called "policy evaporation", that is to say, the commitment to gender equality expressed in the policy documents tends to disappear in the processes of planning and implementation, with the result that a very limited impact on

¹Definition of human development on the website of the United Nations Development Programme <http://hdr.undp.org/hd/>



the lives of women and men is achieved.²

Probably the biggest challenge for completely achieving the incorporation of the gender mainstreaming perspective into development policies and programmes is how to overcome the “efficiency focus” that has predominated in development programmes, the object of which is to “ensure more efficient and effective development by means of women’s economic contribution” (Moser 1995:110). Sustainable development will not be achieved with policies that negatively affects a social group that constitutes half of the population, either because they do not take into account their specific needs, or respond to their worries and priorities, or because of the overload of new responsibilities that are transferred to the sphere of a shrinking welfare state. Therefore, gender equality must be considered one of the goals to achieve in any development policy, not only those specifically addressed at women. In the same way as women’s rights are indivisible from human rights, gender equality must be a guiding principle for every development planning process. As a recent report on gender in the new architecture of development assistance summarises: “It is true that obtaining equality in gender and giving women the necessary power are important elements for the achievement of many other goals, such as the eradication of poverty. However, this should not hide the fact that discrimination because of sex or gender is a violation of fundamental human rights and a social injustice in itself” (van Reisen 2005:21).

The predominant focus of development programmes on the eradication of poverty reflects a concept of social injustice that is closely linked to socioeconomic inequality. The last UNDP Human Development Report (2005:57) identifies “richness, region, gender and ethnic origin” as the main social

divisions that generate “profound disparities” that are “harmful not only for growth but for democracy and social cohesion”. This assimilation of the four main sources of social inequality hides the profound conceptual differences between the socioeconomic dimension and the cultural-symbolic dimension of social injustices, put forward by Nancy Fraser (1997). To treat gender inequality exclusively from its socioeconomic dimension or –even worse– as a simple corollary of socioeconomic inequality, implies ignoring the fact that it is based on a deep-rooted system of inequality of power “both in the political-economical structure and in the cultural-evaluation structure of society” (Fraser 1997:31). This “bivalent” character of gender injustices implies at the same time the requirement of redistribution policies, that aim to put women and men at the same level regarding access to and control over material goods –and therefore tends to eliminate differences between genders– but also of recognition policies that aim to reevaluate the specific character of the subordinated group –women in this case– and thus obtain greater differentiation between the two of them. However, development programmes are far from achieving integral policies that comprise both dimensions of gender inequality and that manage to reconcile the opposing logic of pursuing redistribution solutions and recognition solutions.

Regular reports by CEPAL on the Social Panorama in Latin America make clear the persistence of inequalities in the relative situation of men and women in almost every aspect of social, economic and political life in the region. Despite greater access for women to education and the labour mar-

²See *Derbyshire* (2002:31) and *One World Action/APRO-DEV* (2002).

ket, the characteristics of the incorporation of women into the labour market reveal the ambivalent nature of these advances: women are busier and work more than before in remunerated jobs, but their unemployment rates are much higher than those for men, independently of their level of education, they receive lower salaries and enjoy less social protection (CEP 2003, UNRISD 2005). In terms of poverty indicators, around 20 percent of men over the age of 15 do not have their own income, while around 50 percent of women find themselves in this situation; in 2002, the index of feminine poverty in urban zones for women between 20 and 59 was over 100 in 17 of the 18 countries in the region (CEPAL 2003:139). Regarding access to the political decision-making areas, the application of electoral quotas in eleven countries has promoted an increase in the number of women in national parliaments, but only in three countries (Cuba, Costa Rica and Argentina) is the rate of female representation higher than 10 percent³. Finally, national statistics systems continue without incorporating indices relative to the sexual division of housework. According to CEPAL's report *Social Panorama in Latin America 2004*, "the lack of monetary valuation of non-remunerated housework hampers the possibility of evaluating women's real economic contribution, not only to development but to the reduction of poverty" (CEPAL 2004:212) and gender inequality relative to the costs implied by performing tasks of social reproduction are also invisible. Although information from studies of the use of time is scarce, available data shows that "changes in the work patterns related to gender were not accompanied by significant modifications in the housework sphere. There is no evidence of major transformations in the distribution of housework that

would suppose shared housework responsibilities" (CEPAL 2004). To summarise, development indicators show that despite improvements registered regarding access of Latin American women to the markets that generate socially-valued goods, the unequal relationships of power generated by the sex-gender system continue excluding women from the results of development.

The limited progress registered in the pursuit of the goal of gender equality is only another dimension of the more generalised crisis with respect to the models necessary to achieve sustainable human development. The search for strategies to make development programmes more efficient has generated modifications in the "architecture" of development cooperation and its different approaches. In addition to a change towards a greater emphasis on social policies, the current development agenda is now assigning privilege the principles of "local ownership" and "good governance". A recent evaluation of the current status of the incorporation of gender into development planning evaluates these new conceptual elements in thoughts about development positively: "the fact that social policies and "good governance" reforms occupy a privileged place in the agenda of development policies seems to offer a starting point for tackling gender inequalities in access to resources and services, and the specific capacity in matters of gender and the lack of accountability on the part of the state" (UNRISD 2005). Let us now examine the relevance that these paradigms can have for the integration of gender into the development process.

³*Honduras, Guatemala, Venezuela, Brazil, Paraguay. Considering global classification of women within national parliaments of the Inter-parliamentary Union, updated to October 31, 2005, <http://www.ipu.org/wmne/arc/classif311005.htm>.*



Local ownership⁴ does not refer to the absolute condition of property or title but to “relations among stakeholders in development, particularly their respective capacity, power or influence to set and take responsibility for a development agenda and to muster and sustain support for that” (Saxby 2003). It has to do with the two key relationships of the development cooperation process: that between the donor and the receiving countries and that between the state organisms that carry out the development programmes and the citizens in the receiving countries. Saxby affirms that there is a high degree of local ownership when: “(i) intended beneficiaries substantially influence the conception, design, implementation and review of the development strategies; (ii) implementing agencies are rooted in the recipient country and represent the interests of ordinary citizens; (iii) there is transparency and accountability among the various stakeholders” (Saxby 2003:2). In the case of the current analysis, what is of particular interest is the relationship between the implementing authorities and the citizens. In this sense, the paradigm of local ownership has a close relationship with good governance, as the former will not be achieved if the latter does not exist. Democratic governance refers to: “Patterns and structures by which political and social actors carry out processes of exchange, coordination, control, interaction and decision-making (which also includes political decision-making) within and among social orders and democratic regimes, and that in its prescriptive-normative dimension, currently looks to act according to the values of democracy (representativity, legitima-

cy), efficiency and institutional efficacy.” (Cruz, undated).

Therefore, both local ownership and good governance imply the existence of accountability and transparency mechanisms that guarantee citizen empowerment, participation and control (Gamero 2003). This also implies not only formal accountability within the legislative elective organisms, but also informal accountability through dialogue and articulation with the organisations of civil society and the citizens in general. As van Reisen says, “with greater emphasis on ownership, the question as to who “owns” becomes fundamentally important. Where women are situated in the ownership, and where women’s rights advocates are included in the new aid architecture is a key question for the validity of processes of internal accountability – both among donors and partner countries.” (van Riesen 2005:31-32). From the gender focus, then, the low levels of female representation in legislative and executive positions or the exclusion of women’s organisations in the instances of dialogue between the government and civil society represent obstacles to achieving a higher degree of local ownership/accountability. Therefore, reforms in the area of governance emerge as a possible tool for making the mechanisms of accountability sensitive to gender, not only in the issue of ensuring women’s participation in these mechanisms, but also in

⁴The concept of local ownership appeared for the first time in 1996 in the document *Shaping the 21st Century* published by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), which establishes that sustainable development “must be appropriate at the local level” and that the donor countries should “respect and foster strong commitment, participation, and improvement of local capacities and appropriation”. See Saxby (20003:1) and *Reality of Aid Networks* (2004:1).

ensuring that “those who hold the power are accountable for supporting the principle of gender equality in their public actions” (UNRISD 2005).

3. Decentralisation, local development and gender in Latin America

In the last decade of the 20th century, the parallel processes of globalisation and localisation managed to achieve a substantial transformation in the conception of the role of local governments and their situation in the international order. On one hand, the logic of globalisation implied that in order to participate in the benefits of economic growth, no country or religion could refrain from integrating into the international market. On the other, there was a growing recognition that the subnational regions –provinces, departments and municipalities—comprised diverse realities and that it was therefore difficult to handle each of their priorities for development with uniform national responses. Under this conception, then, local governments begin to constitute themselves as key structures for the design and implementation of local endogenous development policies.

In Latin America the re-conceptualisation of the role of local governments had already been placed on the public agenda with the decentralisation processes that began to be implemented as of the 1980s, driven by several factors, mainly the process of internal pacification or re-democratisation further to the defeat of the authoritarian regimes and the economic crises of the 1980's and the “neoliberal” reforms promoted by international financial institutions to reduce the inefficient bureaucratic systems of the central governments.⁵ In reality, decentralisation implies the transfer of political, administrative and fiscal powers

from the central government to local governments. As a result of the decentralisation process in Latin America, local governments, whose traditional competence was limited to the provision of basic services (drinking water, refuse collection, public transport, lighting, etc.) and to the construction and maintenance of infrastructure (markets, schools, parks, etc.), are assuming responsibilities in the area of social policies and are transforming themselves –with more or less success—into promoters or executors of local development policies. In some cases, as indicated by Masolo, “from always being led into reform from above, some municipalities are becoming the drivers of their own reforms, with the participation of civil society in the associated administration of diverse issues of public interest” (Masolo 2005). Currently, then, and despite the diversity of the originating causes, decentralisation in Latin America responds to the “need to make political decisions more related to the locations and territories where real social processes take place, thus freeing new capacities, initiatives and energies from the social and institutional agents, and from the citizens themselves” (Rosales, undated.).⁶

Given this increased hierarchy through decentralisation of the municipal environment as an autonomous area for planning and implementing development projects, we could ask ourselves what the possible starting points are for the promotion of gender equality in this new local scene. At the same time, what are the potential risks or obstacles for integrating gender into local development?

⁵Montecinos (2005) offers a revision of the main political reviews that analyse the causes of decentralisation in Latin America.

⁶Rosales, Mario. “Notes on local governments and economic development”, not dated, available online at <http://www.redel.cl/experiencias/exp-internac./Rosales1.html>



3.1. Scope of action of local governments

One first consideration has to do simply with the change in scale between the national and the local level. In the latter, the field of application of development policies is more limited in terms not only of the geographic extension of the territory, but also of the size of the target population, which is generally also more homogenous⁷. For this reason local government is “an instance where it is possible to deal not only with day to day problems (...) but also the big social problems” (Bareiro and Elias 1995:69).

In theory, the formulation of public policies on a smaller scale would be important as these would be drawn up in closer reference to the specific needs of the social reality to which they apply, contemplating the diversity of citizens represented. Therefore, it is possible that they can overcome the traditional one-sided conception of social inequality, centred on socio-economic aspects, and that they can fully consider the double root- socioeconomic and cultural/symbolic—of gender injustices. Also, gender inequalities cross all the social fabric, from the most personal and private sphere of daily life up to the more collective and public areas of society, and the “macro” social problems that affect women in the public arena are strictly linked to the unequal structures of power hidden behind the “micro” environment of the domestic. It is reasonable to think that a local government that is closer to the citizens, would be more receptive regarding the resolution of social problems such as those generated by gender inequalities that require an approach that takes into account and organises both the macro and micro dimension.

At the same time, the size and complexity of the State apparatus is less pronounced when

we talk about local government. Considering the problems of “policy evaporation” suffered by the attempts of mainstreaming incorporating the gender perspective into all the spheres of public policy formulation at the national level, it is to be supposed that generally a closer distance between the different responsibilities of local government would contribute to greater organisation of these and a higher capacity of influence and mainstreaming audits in cases where there are institutions that govern gender policies at a local level. Nonetheless, it is clear that the less complex nature of the structure and operation of the state at the local level will not by itself guarantee greater possibilities of incorporation of gender-sensitive policies. To this end, it will also be necessary to count on political will at the highest levels; a clear juridical-legal framework to sustain the policies; qualified human resources; gender-sensitive budgets; the participation of women in decision-making spheres; and the active participation of women’s social organisations in general in the definition, implementation and monitoring of municipal policies.

3.2. The local government-civil society relationship

Gender studies have demonstrated that in all the world and throughout history, progress towards greater equality between men and women has been made mainly due to the struggles of women’s movements. Therefore, from the point of view of gender, the relation-

⁷*This statement is made with a clear understanding that in Latin America the term “local government” refers to a group of approximately 16,000 municipalities, that present a “vast and complex heterogeneity” among them, including not only rural municipalities with less than 1,000 inhabitants, but also cities with over one million (Massolo 2005). Whilst the former are small in absolute terms, the latter are only small if we compare them with the size and complexity of national territories.*

ship between civil society and the municipal government emerges as a question of utmost importance. At the local level, the government is seen as a “power that is closer, warmer and less abstract than that of the national government, with an administration that is more visible and easy to evaluate” (Bareiro and Elias 1995). There’s no doubt that these characteristics could operate as facilitating factors for local ownership, particularly with respect to accountability, with higher participation possibilities and better control of government acts by citizens. In fact, in Latin America some institutional innovations have occurred, mainly at the local level, that contribute to strengthening governance, increasing citizen participation in local decision-making, such as for instance the experience of participatory budgets, first in Porto Alegre and then in other cities in the region (Stren 2000).

What then are the possibilities that these conditions, favourable to local ownership, are also sensitive to gender? As has been noted in several reviews, women tend to feel local policies as something closer to their lives, concerns and needs. The sexual division of work, which continues to hold women responsible for the majority of social reproduction tasks, makes them the main users of community spaces and services, such as water, electric light, refuse disposal, clinics and other social services. They also tend to be the protagonists in what Moser (1995) calls the “communal management”, that is to say, the activities undertaken by women at the community level as an extension of their reproductive role. It includes those activities that are “to ensure provision and maintenance of the scarce resources for general consumption, such as water, health and education. It is non-remunerated voluntary work, performed during their

“free time” (Moser 1995:59), that represents a significant contribution that is generally invisible at the local level. In Latin America perhaps the archetypal expression of this role of communal managers was seen in the protagonism of women in the collective initiatives for the provision of basic needs within the context of the economic crisis and the increase in poverty and exclusion – communal cooking, shopping clubs and barter networks. There is also evidence that the collective participation in activities of communal management fosters higher levels of association among women, defined by Valdes and Provoste as “the organisational capacity aimed at affecting municipal decisions –of governance or functional—in favour of the rights and needs of women as a gender” (Valdes and Provoste 2000), and a prerequisite for the construction of active citizenship.

Undoubtedly, starting with their traditional role in communal management, women can contribute substantially to the definition of the priorities and strategies for the formulation of local policies sensitive to the needs of the population. However, the incorporation of women in the process of formulating and implementing municipal policies must overcome the traditional utilitarian vision of the relationship between the municipality and women, in which “a social logic (overcoming poverty) and the intermediation of women (as providers of communal services to the family) prevail” (Valdes and Provoste 2000:3). As has already been mentioned, the integration of women as actors in processes of local development must target the double objective of looking for gender equality and promoting women’s active citizenship in their capacity as autonomous legal subjects and not mere beneficiaries or passive users, or as vehicles



for achieving their family's welfare. As noted by Valdes and Provoste, it is not enough that women participate more in the processes of formulating development policies, the gender identity within which they participate is also important: "women could participate in the decisions of the programmes or services without going beyond their mediatory role or perceiving themselves as individuals with an identity that goes beyond the family, necessary process for them to exercise their citizenship". Another risk is related to planning development programmes that encompass the participation of women, making good use of their capacities as social managers, but based on the assumption that they have absolute availability in terms of time to dedicate to such activities. In such conditions, the incorporation of women into local development programmes, far from promoting higher equality among men and women, will increase women's unpaid work.

3.3. Participation of women in local decision-making

Another dimension of governance that is sensitive to gender is related to the possibilities that women have of influencing the definition of the local development agenda from within the institutional structures themselves.

In Latin America, the decentralisation and modernisation processes of municipal administration have implied the reform and strengthening of existing local political systems in some countries, and in others, the creation of new structures or the establishment of new procedures, such as the direct election of local government through popular vote. Although these reforms have been promoted as mechanisms for greater democratisation of the structures of local power, this target has not

always been achieved. The exercise of local government in many Latin American countries reveals the persistence of a political culture that has its roots in caudillismo and despotism, and is marked by paternalism and corruption that the political and administrative reforms will not be able to modify by themselves (Nickson 2003:12). These traditional systems of authority have a clear patriarchal vein and perpetuate a strongly masculine vision of political leadership. Data on female representation in national parliaments in the region clearly shows that despite the existence of political systems that comply with all the traditional political science indicators of to be classified as "democratic", nothing guarantees that the composition of their representative organisms is based on gender parity. Even where mechanisms of deliberative democracy have been put in place, experience shows that these institutional innovations often reproduce the same patterns of exclusion as the traditional democratic structures. The analysis of the participatory budget processes in Porto Alegre and Belo Horizonte show that, even though levels of popular participation have gone up significantly and the groups that were previously isolated now represent at least half of the deliberative assemblies, women still are not represented at the highest levels of decision-making in these new structures (UNRISD 2005:200),

In general in Latin America, levels of female representation in subnational *executive* positions, elective or designated, continue to be very low, on a par with levels of female representation in legislative positions (parliament) and national executives (ministries, under-secretaries). Only a few women have come to occupy the highest municipal executive positions, an exception being the case of Marta Suplicy in São Paulo. Despite the generalised absence of women

in these positions, there is a growing trend of institutionalisation of spaces intended for formulating and coordinating gender policies in some Latin American municipal governments, particularly in the bigger cities. Some examples are: the Women's Commission of the Municipality of Montevideo, the Women's Council in the Municipality of San Salvador, the Women's Institute of the Government of the Mexican Federal District, the Special Coordinator for Women of the Prefecture of São Paulo, the Directorate General of Women of the Government of the Autonomous City of Buenos Aires, The Directorate of Gender Policies of the Municipality of Asunción (Massolo 2005). As Massolo notes, in general this process has occurred within the context of "local government alternative democratic projects" associated with the coming into power of progressive parties and, in all cases, due to the pressure and negotiation of movements organised by women. In some cases, the institutionalisation of gender at a municipal level has been more effective than at national government level. This is the case of Montevideo, where the Women's Commission has been able not only to install specific public services for the women in Montevideo in areas such as reproductive health and domestic violence, but has also created a Commission for Equality and Gender in the City, made up of representatives of the different divisions and departments of the Municipality, to promote gender mainstreaming in the municipal administration and the approval of a Plan of Equal Opportunities and Rights for the City.⁸

On the other hand, there is frequently a higher female representation index in subnational legislative organisms (the municipal councils and departmental assemblies).⁹ Therefore, the municipal legislative sphere emerges as a "possible space" where women

can exercise power in formal instances of the political decision-making process" (Bareiro and Elias 1995:71). Also, there is evidence of an increase in the associative nature of women involved in politics at the local level. Many countries in the region already have experiences of inter-party coordination among local representatives, for instance The Network of Municipal Women in Paraguay, the Network of Political Women and the "female bench" in some Departmental Councils in Uruguay, the Association of Women Councillors in Bolivia (ACOBOL), the Association of Municipal Women in Ecuador (AMUME) and the Association of Women Officials, Trustees and Mayoresses of El Salvador (ANDRYASAS). Also at regional level, the Federation of Municipal Women of Latin America and the Caribbean was created in 1998, with the objectives of: "strengthening the quantitative and qualitative political participation of women (...) incorporating the gender perspective into municipal policies, the decentralisation and sustainable development of local governments; establishing monitoring mechanisms for the process of decentralisation and municipal strengthening with a gender perspective."¹⁰ The integration of this network represents the construction by the municipal women of a collective identity as political *women* around a gender-based agenda and with the express intention of influencing the process of formulating local policy. While competencies of the local legislative organisms do not

⁸Johnson (2003) does a comparative analysis of the institutionalisation of gender at the level of the Municipality of Montevideo (Women's Council) and at the national level (National Institute for the Family and Women).

⁹The comparison in UNRISD (2005:194) between the levels of female representation in national parliaments and in the municipal legislative organisms shows that Latin America is the only region in the world where there is a consistently higher proportion of women occupying representative positions at the local level than at the national level.

¹⁰http://flacma.org/FEMUM/html/lineas_de_trabajo.htm



include the execution of municipal policies, they can perform other roles with the object of achieving the integration of the gender perspective in the local development agenda: audit the actions of the local executive power; apply pressure to achieve institutionalisation of gender in the structures of local government; and articulate with the rest of the organised women and channel their demands and those of female citizens in general. In this sense, they organise themselves into structures that add to the construction of gender-sensitive local governance.

4. Gender and local development: the role of decentralised cooperation

To summarise, on one hand the indicators of women's social situation in Latin America indicate that the development policies that are being applied in the region are not managing to reverse the structural gender inequalities. On the other hand, the emphasis resulting from the new development discourse on local ownership and good governance, apparently represent a favourable framework for the hierarchisation of gender equality as a central objective of the development processes. In parallel, the processes of decentralisation in Latin America open new fields of possibilities for the formulation of local endogenous development programmes that respond more closely to the needs and priorities of the citizens –including women—and that benefit from the active participation of the local community. It is within this context that the new international development cooperation modality emerges among the countries of the European Union and Latin America, decentralised cooperation. Although it is a relatively new phenomenon that still needs to be fully evaluated, the analyses that have been done so far agree that decentralised co-

operation is more effective than cooperation aimed at national programmes (Valderrama 2004:42). How then, can decentralised cooperation contribute to strengthening the incorporation of gender equality as an integral objective of the local development process? As it is a source of direct funding, decentralised cooperation serves as a mechanism for strengthening the autonomy and institutional capacities of local administrations. In those municipalities where some degree of gender institutionalisation has been achieved, direct negotiations with European municipalities diminishes the risk of the reduction or elimination of budgetary items claimed by the organisms that rule governing gender policies, as often happens in the course of the multiple levels of negotiations involved in the traditional process of bargaining for resources proceeding from international cooperation with the central political power. At the same time, the elimination of the different levels of central authorities involved in the planning and administration process of development programmes reduces the probability of “policy evaporation”.

On the other hand, the municipality-municipality relationship, as in the case of twinning, frequently establishes a link that is more human and closer than may be obtained at the national level, with cultural exchange and the possibility of a deeper knowledge between the communities. This opens the possibility of a transfer of capacities, experiences and good practices, including the integration of the gender perspective, that is better adapted to local needs. In this sense of the experience, for instance, of the equality plans approved by the autonomous governments of Spain or the process of drawing up the gender-sensitive budget in the Government of Andalusia last year, may serve as a stimulation

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and contribution to the integration of the gender perspective into the projects funded by decentralised cooperation.

In addition to this, the growing associative activities of women involved in politics at the local level in Latin America around an agenda of a municipal nature may facilitate and at the same time be consolidated by the link generated with municipal women's associations in European countries through decentralised cooperation projects. This is the case, for instance, of the common projects presented within the frame of Network 12 "Promotion of women in the instances of local decision" of the URB-AL programme of decentralised cooperation co-funded by the European Commission. There are 271 cities in 18 countries of Latin America and 14 in Europe that are associated with Network 12, which has as its objective "to share experiences and promote common projects between local entities in countries of the EU and Latin America, with the purpose of proposing new city models, through the mainstreaming of equal opportunities policies and the promotion of women's active citizenship."¹¹ The evaluation of the experiences of URB-ALs

Network 12 and the elaboration of a catalogue of good practices based on the common projects between the municipalities of Latin America and the European Union in the framework of this programme will also represent a valuable resource for strengthening the integration of the gender perspective into future decentralised cooperation projects.

Finally, both characteristics of the relationship between municipalities generated through decentralised cooperation—being direct and closer—are factors that undoubtedly favour local ownership in the development process. Moreover, this new international cooperation modality adds a third dimension to the concept of local ownership, as it is probable that European citizens demand that their municipalities provide a balance of accounts with respect to what funds are destined to international cooperation, as this is a non-traditional function of municipal governments. Active participation of citizens in the starting point of decentralised cooperation would not only strengthen local governance, but also open another entry point for the promotion of gender equality.

¹¹Website of URB-AL Network N^o 12, <http://www.diba.es/urbal12/documentos/Programa.htm>.



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Governance and Institutional Strengthening

The Institutional challenges facing local governments of Latin America

KEY WORDS

*Local government |
Institutionality |
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Most institutional challenges facing Latin American local governments arise from the recent decentralisation processes, an issue directly linked to State reform and to its last thirty years of institutional history. However, the subject matter of this article is not focused on such processes, but on the processes of integrating the new roles of local governments and on the weaknesses of these, which makes institutional strengthening necessary. The first part of this study provides a general overview of Latin America, and the second part features a more in-depth analysis, dealing with specific cases in the Andean Region and the Southern Cone.

In order to give an accurate description and contextualisation of the institutional character of local governments in Latin America and, particularly, in the Southern Cone and the Andean Region, first there is an analysis of what is considered as the local level and the denomination variations that exist in the different countries of the region. The current processes of democratic institutionalisation in Latin America have been connected to the re-definition of the state public space. Within these processes, major relevance is given to the space that programmes the improvement of representation and the development of citizen participation, as well as those seeking to consolidate internal aspects of administrations: local management finances and municipal administrative capabilities, should occupy.

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1. Introduction

When talking about local governments in Latin America it is impossible not to mention the decentralisation progress, which is directly linked to the issue of State reform and the last thirty years of institutional history. However, this article is not focused on said decentralisation processes (although reference has to be made to them at times) but on the institutionalisation of the new roles of local governments, and on their weaknesses in achieving this institutionalisation.

Current democratic institutionalisation processes in Latin America have been connected to the redefinition of the state public space. In that regard, decentralisation strategies have represented one of the means through which an attempt has been made through the State itself to redefine the outlines of the public state and to shape its sphere of influence at a local level. Setting up a field of action entails the gaining of autonomy throughout history of a certain space for relations between individual and collective agents. Its configuration involves an unequal distribution of material and symbolic resources, thus turning it into a space for the expression of strengths and struggles for the transformation of the correlation of powers between the agents. In fact, the very definition and demarcation of the sphere may be at stake, leading those agents to fight to determine their relationships with other spheres of social life as well. Disputes for increasing the funds available to the actors turn the fields into “fields of struggles for power among those who have different power” (Bourdieu 1989:375).

The public sphere is set up based on the legitimisation of a number of social practices which are based on structures of shared mean-

ing and on certain accepted rules of the game. These practices may be expressed in rules and in state operational bodies, but it should not necessarily be assumed that this is their top level of development, nor their desired destiny.

Institutionality, in its juridical-regulatory sense, does not necessarily correlate with the establishment of certain guiding patterns of social action. Therefore, an analysis of how democratic institutionality has been set up (or not) in Latin America by State decentralisation strategies should explain the way in which both levels overlap dialectically and comprise the state public space. The possibilities of State publication¹ and the constitution of a non-State political space are in turn connected to the performance of representation and participation.

Likewise, the democratisation of the relationships between the State and society entail -for the State- the erosion of representative asymmetries, the democratisation of the classical institutions of representation (parliaments and parties) and the recovery of society’s political functions.

With regard to participation, it represents the broadening of the public sphere and the promotion of forums through which citizens can get involved in the deliberation and decision processes.

Nevertheless, when we try to combine them, their individual strengthening may bring undesirable consequences that may affect the global outcome in terms of the institutionality of democratic practices. The way in which representation mechanisms are strengthened will impact the capabilities of local systems to become totalities open to collective deliberation and to the broadening of the public sphere.

¹*Introduction to the public agenda of state policies and the mechanisms to implement their contents.*



2. The local in the redefinition of the public in Latin America

From the state, the historical constitution of modern administration has placed the local in a peripheral place in those basic distinctions of identity whereby it has intended to shape its space of action: the “central/local” opposition, as well as others associated with it (general/particular, conception/execution), has been part of the discourse that the bureaucratic sphere issues about itself. In it, it expresses an alleged technical and ethical superiority of the central or national pole over the local component of the opposing pair mentioned (Bourdieu 2001:146 and foll.).

After the 1980s wave of reforms (mainly neoliberal), from the 1990s onwards the emphasis was placed on the debate about State reforms in the state management of public regulation, in view of the disorganising consequences brought by the first wave, trusting in the ordering capacity of the “invisible hand of the market”. It is in this context that the policy of municipalising those functions traditionally undertaken by the central State receives “good press”. This transfer does not have any specific stance a priori, whether neoconservative or democratising. Moreover, the emerging possibilities of these processes are differently oriented and not necessarily exclusive. Municipalisation, as a transfer of responsibilities from national spheres to others that are local, provincial or municipal, did not necessarily involve the empowerment of governments and civil societies which would provide them with more capacity to exert control over the processes created in their territories.

There are three spaces from which the social influence over government strategies may be broadened, while broadly reproducing the public sphere: the establishment of public policies, legislative action or the revocation (or endorsement) of regulations and mandates, and the provision of public services (Cunil Grau 1997: 75).

From the study of the impact that the mechanisms for the democratisation of decision-making (representation and participation) have had on these spaces, we may outline a picture of the transformation of the public space in Latin America. The joint effect of the changes in the spaces and in the mechanisms will allow us to understand those impacts in terms of the democratisation of juridical-regulatory institutionalisation and practices. Lastly, we will analyse the impact of all these elements on the generation of governance.

3. Democratic institutionalisation in local spaces

3.1. The traditional operation of the municipalities

To understand the actions from the State to democratise its practices, as well as the social pressures in that regard, involves the analysis of the performance of the municipalities by the local authorities. This performance can be understood from the interrelation of a series of explanatory elements of its structures and of the organisational cultures that emerge as dominant.

- The type of claims of legitimacy on the part of governors
- Their leadership style
- The characteristics of public-private relationships

- The type of relationships prevailing within local societies
- Personnel recruitment and promotion policies
- Characteristics of the administrative structure
- The way civil servants fulfil their functions

The municipal governors of almost all Latin America usually develop strongly personality-based leadership styles. This is related to deep-rooted cultural ways which are based on relationships of domination that are typical of traditional societies. This imposes a traditional mark on the aspirations for legitimacy on the formal legitimacy provided by the democratic devices for the naming of authorities. The predominance of personality-based social relationships in local societies grants a large amount of privilege to the construction of political loyalties. That is, relationships of dominance move away from a purely rational-bureaucratic type (Weber) and tend towards the more traditional type, based on the concession of clientelist favours. However, there is no full identification with this, as, in fact, the ruler must articulate an always unstable balance between – applying the categories of Parson and Shils (Stoufer and Toby 1968, cited by Velasco, no date) – institutionalised obligations concerning society (those universal obligations undertaken in the electoral campaign) and institutionalised obligations relating to friendship (personal ones derived from the political and clientelist commitments which brought the individual to the post). This tension affects municipal management, as it is the result of the predominant types of social relationships, but at the same time it produces and reproduces such relationships. Survival of this circle explains – and is explained by – the ambiguity of public-private relationships. Public-formal spaces do not totally depart from the individualistic logic of private

relationships and, at the same time, their rationality invades their space, thus blurring the boundaries between the two spheres.

The characteristics of the administrative framework in this context result from tensions at different levels:

- Between a formal structure (organisation chart) of a rational-bureaucratic nature and traditional recruitment and promotion styles (of a clientelistic nature)
- Between the needs of the authorities to have a “reliable” structure and a self-referent and scarcely innovative bureaucracy.

3.2. The contradictions generated by traditional operation

These tensions, together with the abovementioned variables (leadership style, ambiguity of public-private relationships, predominance of relationships of particularity) give rise to:

A traditionalised and formalised bureaucracy with predominance of those features of the rational administrative frameworks which functionalise its tasks (consequently the most routine: job security, formalism, submission to hierarchical relations, task division) in comparison with those that professionalise it (technical know-how, full-time commitment, competence, access by competitive examination, functional career). Traditional-type relationships in the forms of access to positions and promotions end up inhibiting the completeness of the rationality of the administrative framework in the purest Weberian style² and hindering the delegation of functions to individuals scarcely commit-

²Whether the Weberian model of bureaucratic organisation is the most appropriate for a democratic and innovative type of management is not discussed. Dichotomies observed in the organisation of the administrative framework of municipalities are posed.



ted to a job they do not feel is their own, and which is often not clearly defined.

This fact has a perverse effect: in generating bureaucracies that are scarcely capacitated and reluctant to change, those governors who try to introduce innovations have to resort to the inclusion of parallel and reliable administrative frameworks in order to implement their policies. As those teams are often made up of the ruler's trusted personnel (recurringly, to repay political favours) the result is the consolidation of the privilege existing in municipal management and in the relationships between him and his clientele.

Therefore, we often encounter management of municipal governments where there is no hierarchical differentiation between the strategic and the daily work, administrative frameworks which are fragmented between the trust personnel and payroll employees and are quite inefficient and ineffective, and the coexistence (and, usually, the predominance) of traditional forms of constructing legitimacy with typically more rational consensus-making mechanisms.

These problems are linked to another more complex and global problem: the weakness of institutionality, in terms of democratic guidelines for performance. These problems are shared to a great extent by the social system, as they are due to socially-legitimated interpretative schemes.

The result is a weak citizen body, one-dimensional decentralisation policies restricted by the political system, wasted resources and frustrated social processes. In terms of the political system, this has a negative impact on the possibilities of generating long-term strategies and of anticipating problems.

As a corollary, there are initiatives that call themselves decentralisation initiatives, planned from the centre, with a profile as enlightened as the one they are supposed to at-

tack, and a local political system incapable of generating new logic of action, which emerges as the recipient of these.

4. Characteristics of social representation and citizen participation

Decentralisation and its connection with development was a subject on the agenda in the 1990s and it still is today, both for the outcomes it has given rise to and for those it could not bring about, despite having been supposed to do so. In most of our countries, decentralisation has remained linked to the transfer of responsibilities at sub-national levels, without its counterpart in terms of resources and competences. On the other hand, the suspicion of inefficiency and corruption of provincial and municipal governments ends up closing the perverse circle of bad management/non-provision of funds by the central State/delegation of functions/reinforcement of management inefficiency and inefficacy. In addition to the above there is the weakness of citizen control to complete a chart of frustrated decentralisation processes which have resulted in the strengthening of clientelistic control mechanisms by local or regional elites. What has happened to those processes presented as paradigmatic cases of decentralising policies?

Despite the fact that decentralisation was incorporated into the public agenda, it is not associated with a process of reconfiguration of the relationships between regions, between state levels and between it and civil society. One of the reasons for this to happen is the prevailing perception that regards it as a topic of the political system, thus bringing about a two-fold limitation:

- Cognitive: as it mutilates decentralisation as an object of study, in restricting it exclusively to one of its dimensions
- Social: because it deprives it, at least in part, of the support and interest that actors from other systems outside the governmental political system may have in it.

Transcending the discussion of decentralisation beyond the political system entails reconnecting it to the processes of democratisation, State construction and social education, as well as the re-discussion of relationships between the different systems of actors. The institutionalisation of participation within the State structures have affected its original richness and have mutilated it as an authentic expression of autonomous social movements by forcing it to act within the networks of the traditional clientelistic system rather than in those of new organisational structures. Institutionalisation has been put in front of the maturity of the social processes themselves.

Frustration arising from these processes strengthens the demands which, seized with the sniper's logic, erode the old and do not produce a rupture in the logic of local and national action. Such logic does not necessarily entail improvements in the level of accrued social capital, and finally generates greater fractures at the level of social movements when developing methodologies of social protest that renounce participation in the State unless it is changed completely

5. Construction of a collective subject in Latin America

The processes of institutionalising participation in Latin America has been paradoxical in terms of the strengthening of participation, decentralisation and development relationships.

These relationships have often represented greater spaces and mechanisms for social and political participation, instances of external social control of civil society over the political power, better communication and information mechanisms between civil society and the State, as well as efforts to democratise the internal operation of the different social organisations and associations.

But at the same time, these relationships have generated new corporatism, by incorporating the participation of powerful social actors in the logic of State functions through cooption and also the weakening of representation mechanisms and of respect for minorities, by generalising certain spaces of direct democracy – confirmatory or annulatory – which erode the possibilities of an open and rational discussion on the subject, and a delegitimation of the State delegation of responsibilities to social actors when it is not accompanied by processes monitoring and by the actual possibility of influence of this on the formulation of public policy. They have also caused confusion concerning the roles of the political and the social actor, when the institutionalisation of participation brings about the invasion of the space of the discredited parties by social organisations.

The institutionality agenda in Latin America currently includes the discussion of a new pattern of action characterised by the redistribution of the political, economic and social power that goes hand in hand with a good understanding and with the political will of actors in civil society; the strengthening of local authorities as articulators of the resources of their societies intended for the management of development; the required link between this institutional strengthening of the sub-national institutes of government and the construction of a climate of local governance, which will be clearly condi-



tioned by the support of local management, by the representativity of local actors and by the reformulation of citizen participation procedures; and the necessary connection of local development with national policies that bind central States with their own historical construction, which is an incomplete process in many of our countries.

These elements must be accompanied by the sense of effectiveness of participation, that is, that the community feels that its participation has a bearing on its government's decisions. In this regard, social actions tend to generate important changes in their societies when they succeed in combining the capitalisation on political opportunities with the production of an organisational infrastructure. But only insofar as participation is capable of channelling the processes affecting those frameworks related to directional guidelines, in new forms of action which incorporate shared insights on social participation (McAdam et al. 1999). Social participation and the change in the paradigm of action of local governments may lead to improvements in governance insofar as the action spheres of all actors are accurately delimited. The weakening of political parties, unions and other mediating agents before the State cannot be accompanied by their colonisation by social actors. The social system is strengthened if participation achieves results from its own spaces and if the political system provides accurate directions to guide the State and if the economic system generates the adequate wealth in a way that is less unequal.

The above perspective of institutional-ity is clearly directed towards the strengthening of governance, taken as a process within which we solve our problems collectively and face the needs of our societies. That is, territorial government seen as an art or manner

of constructing power that aims to achieve lasting economic, social and institutional development, fostering a healthy balance between the State, civil society and the market economy.

The empowerment process is closely connected to the participation process, but participatory policies that are generally restricted to the micro level are not able to break the isolation of some social groups or networks of organisations. This is the logic to be strengthened, fostering social ownership of the territory within a framework of generation of citizenship and development.

In this regard, the availability of information is key to changing the power relationships and, therefore, the respective knowledge generation and information dissemination strategies with regard to the local, regional and global level are essential as institutional strengthening mechanisms.

Historically, difficulties in generating social action and significant levels of participation in public affairs have not resulted (at least not exclusively) from the lack of motivation of individuals to form part of collective processes.

Definitions made by people in that respect are impossible to understand if we do not relate them to the overall situation from which they acquire sense: the political system. Here, the institutional characteristics of local (and national) political systems may further or discourage social involvement in public affairs (State or otherwise).

One of the serious inconveniences of deepening participation lies in its cost, in terms of the maintenance of the organisational forms that channel it. Secondly, the generation of new political opportunities provides a framework that gives a productive sense to participation, as it offers – at least – the expectation of generating changes.

These two elements turn participation into an event shared between the political system and the individual. Nevertheless, this has rarely been recognised and planned so as to be expressed in decentralisation policies that, while “motivating” mobilisation from below, contribute to it from the heart of the public domain. In doing so, they help to bring down the organisational costs of participation and to generate political events which may result in opportunities to make such participation productive.

Consequently, a development strategy necessarily linked to a decentralisation strategy is a technical and political phenomenon, founded on social participation, an integral vision of processes, public-private articulation, the search for territorial agreements, democratic debate and commitment to action. These represent the new basis for the production of democratic governance in the current circumstances of Latin America.

6. General characterisation of local governments in South America³

An accurate characterisation and contextualisation of local governments’ institutional characteristics in Latin America, and particularly in the Southern Cone and the Andean Region, calls for the specification of what is understood as local level and the denomination variants it may have. In this regard, (and in the context of this analysis), local government entails the minimum territorial-based political-administrative government forms, acknowledged by national legal frameworks, so that they represent the most visible face of the government to the citizenship, dealing with the requirements of everyday life. This local level is mostly referred to as the Municipality, but other denominations are also used, such as Canton, Commune or Department. For purely administrative reasons, municipalities may be divided in districts, sections or

other denominations with no special legal or political relevance.

In all cases, the exercise of local government is organised through the definition of an executive-type figure – mayor, governor, prefect – and a legislative body: deliberative council, municipal council, municipal chamber, municipal board, provincial government. In South America, election to these offices is carried out mainly by popular vote except in the case of Bolivia, where the mayor is elected by simple majority among those integrating the respective municipal councils or boards, who are elected by popular vote.

The election of local authorities by popular vote where there was no separation in time between national and sub-national government elections, as was later incorporated by constitutional reforms as from the 1980s, has been a key element in the generation and reevaluation of local territories as political arenas, where new figures have emerged or mayors themselves have generated political movements questioning national-type party systems or the traditional power elite systems.

In this regard it is worth mentioning the Chilean experience in the Andean Zone where, although the decentralisation process began in 1980, it was only in 1992 that direct election for mayors came into force, as, so far, they were elected by the national government. In the cases of Colombia and Venezuela, the emergence of the figure of the mayor is the most radical change in terms of municipal local policies and the creation of institutionality, as this is the figure who was granted the function of strengthening municipal institutions as the first legitimate representative of the community and as natural spokesman of the municipality. Thus, the mayor assumes the role of mediator between the State and social groups.

³A more detailed discussion of these subjects is provided in Gallicchio and Camejo (2005).



With regard to the Southern Cone countries, Brazil is one of the most interesting cases in the reinforcement of the institutional character of the (federal) State by granting greater hierarchy and powers to local governments. Since the 1988 Constitution, municipalities are considered by the federal government as independent partners with equal rights, enabling the municipal authorities to implement their own regulations without having to account for their management to any superior body, given that the Municipal Council may reject the opinion of higher bodies.

The creation of new formal institutional spheres or the reformulation of the existing ones has not been limited only to local governments. It has also taken place in the unitary countries of the region with regard to the creation of a new sub-national intermediate institutionality between the central government and local governments. This has represented a higher degree of complexity in the decentralisation processes undertaken, giving rise to new areas of confrontation for local governments, who have suffered restrictions to their action within these intermediate levels. An example of such conflict can be seen in the case of Peru.

In Bolivia, the construction of institutionality achieved by means of the enactment of the Law for Popular Participation in April 1994 and the Administrative Decentralisation Law in July 1995 was centred on the creation of a local government level and the institutionalisation of participation spaces. Thus, the number of municipalities in the country went from 24 to 314, and, for the first time, hundreds of localities had the chance to exercise the right to vote in the election of their municipal legislative bodies.

A transversal topic in the aspects mentioned, and which cannot be excluded from this characterisation, is the consideration

of local government autonomy, as this is one of those characteristics permanently under debate, and is the fundamental axis for the consolidation of new forms of relations between central and local government.

The concept of local government autonomy, once associated with the existence of a set of competences and management of human and material resources to attend exclusively to local affairs, has been re-conceptualised basically as self-administration or the right to self-government of local entities in all those matters relevant to local society, but which are not restricted to or take place exclusively within the territorial jurisdiction of the municipality.

Due to the above, local governments claim, as a means and a requirement for exercising their autonomy within the boundaries of the law, a certain margin for political decision-making so that they can carry out their functions by adapting the enforcement of laws to the peculiarities of the municipal territory and without subjection to guidelines pre-established from national or sub-national spheres.

Constitutional reform processes have included these premises in their articles, together with new endowments of institutional powers, without automatically implying putting it into practice.

As a contribution to the above considerations, it is worth taking into account the characteristics of the municipal financing system in Latin America: it has little fiscal autonomy in the determination of its main local taxes; a high participation of inter-governmental transfers; a limited use of charges on spatial users and contributions; low access and use of indebtedness; and a generalised lack of coordination mechanisms with other government levels.

7. Institutional competences and capacities of local governments

The competences of local governments in South America are defined mainly in the pertinent national constitutions. Whether federal or unitary states, the principal powers of local governments are provided for in their articles. These are, in turn, specified through municipal laws, regulations, ordinances or agreements.⁴

Institutional functions and capacities traditionally assigned to these local govern-

squares, monuments, public ornaments, and a certain degree of surveillance and arbitration in matters such as construction in the public space, relations between neighbours, etc.

On these traditional functions were superimposed to a greater or lesser extent specific demands of the population of the respective territories on varied topics, whether social, cultural, environmental or even productive matters. Such demands remained subject to the availability of resources, which have historically been insufficient or inappropriate.

Table 1: Political, legal and regulatory framework of decentralisation in Latin America

Country	Territorial political organisation	Sub-national political organisation	Form of government	Election criteria
Argentina	Federal	Provinces (22) Municipalities	INTERMEDIATE LEVEL: Governor Provincial legislatures LOCAL LEVEL: Regional governors. Deliberative or municipal councils	Popular election to all offices
Bolivia	Unitary	Departments (9) Provinces Sections of Provinces Cantons	INTERMEDIATE LEVEL: Mayors, regional and municipal councils (popular election) Departmental Council Sub-prefects and deputy councillors LOCAL LEVEL: Mayor Municipal Council	Prefect (officer appointed by the President of the Republic). Departmental ministers (designated by two thirds of municipal councillors). Sub-prefects and deputy councillors (representatives of the Prefect who administrate provinces and cantons). Mayor (elected by respective municipal councils or boards from their members, by simple majority). Municipal council (direct, secret and universal vote).
Brazil	Federal	States (27)	INTERMEDIATE LEVEL: Governor Legislative Assembly LOCAL LEVEL: Prefect Municipal chambers (Vereadores)	Popular election to all offices
Chile	Unitary	Regions (13) Provinces (51) Communes	INTERMEDIATE LEVEL: Governor / Regional Council LOCAL LEVEL: Mayor Municipal Council	Governor, departmental assembly, mayor and municipal council (popular election)
Colombia	Unitary	Departments (32) Municipalities Native American territorial entities	INTERMEDIATE LEVEL: Governor Departmental Assembly LOCAL LEVEL: Mayor Municipal Council	Mayors, regional and municipal councils (popular election) Governor (officer appointed by the President of the Republic)
Ecuador	Unitary	Provinces Cantons Rural parishes	INTERMEDIATE LEVEL: Governor (dependent sectional regime) Provincial prefect (autonomous sectional regime) Provincial council (autonomous sectional regime) LOCAL LEVEL: Mayor or president of the town hall Municipal Council	Governor (officer appointed by the President of the Republic). Provincial prefect, provincial council, mayor or president of the town hall and municipal council (popular election)
Paraguay	Unitary	Departments (17) Municipalities Districts	INTERMEDIATE LEVEL: Governor Departmental Board LOCAL LEVEL: Mayor Municipal Board	Popular election to all offices
Peru	Unitary	Regions Departments Provinces Districts	INTERMEDIATE LEVEL: Regional President Regional Council LOCAL LEVEL: Mayor Municipal Council (Councillors)	Regional president, regional council, mayor and councillors (popular election)
Uruguay	Unitary	Departments (19)	DEPARTMENTAL LEVEL: Governor Departmental Government SUB-LOCAL LEVEL: Autonomous Local Boards ¹	Popular election to all offices
Venezuela	Federal	States (23) Capital district Municipalities Parishes and County Council Districts	INTERMEDIATE LEVEL: Governor Legislative Council LOCAL LEVEL: Mayor Councils	Popular election to all offices

Sources: <http://www.georgetown.edu/pdba/>; Gallicchio and Camejo (2005); CONFEDELCA (2004) and Durán de Jager (2001).

ments were associated with the provision of urban services such as water supply, electric power, sanitation, transport, refuse collection, maintenance of streets, avenues, parks,

⁴See Table 1: Political, Legal and Regulatory framework of Decentralisation in Latin America. Source: "Local Development and Decentralisation in Latin America" Enrique Gallicchio, Alejandra Camejo, CLAEH-DIBA, Montevideo, 2005.



The new – non traditional – competences in the municipal area granted de facto to local governments were taken into account and included in the State reform processes in the different countries, thus giving rise to a new institutional framework with regard to the duties, obligations, roles and functions of local governments. This has not meant that the theoretical proposals have had a correlation in an instituting force so that they could be translated into a political will from the central spheres as well as from the citizenry in addition to the democratic culture, thus enabling the exercise of power and the construction of governance at local and national levels.

Notwithstanding the above, a quick review of the legal frameworks in force in South America allows an illustration of the possibilities that attempts have been made based on the law to institutionalise for local governments. The ownership of these frameworks and their correct implementation are part of the decentralisation process.

For example, the 1993 Peruvian Political Constitution establishes, in its article 195, that municipalities are empowered to: 1) approve their internal organisation and budget; 2) approve the local development plan agreed with civil society; 3) manage their property and revenue; 4) create, modify and abolish contributions, duties, excise taxes, licenses and municipal rights pursuant to law; 5) organise, regulate and manage the local public services of their jurisdiction; 6) plan the rural and urban development of their district, including zoning, town planning and territorial conditioning; 7) promote competitiveness, investments and financing for the execution of local infrastructure projects and works; 8) develop and regulate activities and/or services regarding education, health, housing, sanitation, environment, sustainability of natural

resources, collective transport, traffic and transit, tourism, maintenance of historical and archaeological monuments, culture, recreation and sports, pursuant to law; 9) present legislative initiatives in matters and affairs of their jurisdiction; 10) exercise the other powers inherent to their duties, pursuant to law.

This example allows the clear perception of how wider competences are added to the traditional municipal functions, enabling the local government to undertake actions with regard to local development, while also adopting guidelines for the relationship with civil society.

In Colombia, there are a number of laws (Law No. 60, article 2; Political Constitution article 49; Law 10, 1990, article 12; among others) that thoroughly establish those tasks, competences and functions corresponding to municipalities.

Specific competences emerge in the following matters: a) education, in both the administration of educational services, the financing of necessary investments and infrastructure, whether with own resources and with municipal participation or by means of the co-financing of educational programmes and projects; b) health, in the management of the local health care system, health promoting actions, disease prevention, guaranteeing and financing the provision of treatment and rehabilitation services in the primary health-care sector in the community c) housing, in the promotion of and support for programmes of social housing; and d) rural development: promoting and participation in rural area development projects, and provision of agricultural technical assistance to small farmers in the relevant jurisdiction.

In Bolivia, the Administrative Decentralisation Law of 1995 follows a pattern similar to those mentioned above, transferring the possession, provision, improvement

and enlargement of the social infrastructure and equipment necessary to provide services in the fields of education, culture, health, sports, housing, local roads and other productive facilities to the municipalities. In addition, local governments are responsible for the provision of social services such as school breakfasts, gender programmes, etc. At the same time, the national government is in charge of national policies in these sectors, as well as of defining the technical regulations. The Constitutions of Brazil (article 30) and Venezuela (article 164), also set out the responsibilities to be fulfilled by the municipality in each of the areas mentioned above.

The examples given refer to municipalities as the institutions in charge of providing traditional services, incorporating other more complex services and, essentially, of furthering the development of their territories. Although this may seem to indicate the active presence of local governments in all the areas mentioned, it strongly contrasts with the possibilities of putting this into practice, as the facts show major dependence on central government, which dictates the mechanisms and instruments of control, restricting the incorporation of the different levels of government into the provision of service.

This redistribution of functions or competences between the central State and sub-national and local levels is mainly focused on the search for efficiency and improved management. This is strongly connected to the themes of development, as many functions are now under the jurisdiction of local and municipal governments, which entails their new role in the national bureaucratic structure: the redistribution of State fiscal revenue among the different levels of government, as well as the redistribution of competences in terms of taxes and of financing local development (Gallicchio and Camejo 2005).

Fulfilment of these new roles has to do at least with the resolution of two issues connected to the local government, the central government and the territories: “having resources for” and generating a political culture at national and local level allowing the construction of new forms of governance, especially taking into account the fact that there are territories with difficulties concerning the insertion in the nation-state processes.

In terms of “having resources for”, the research carried out by Iván Finot (2005) with regard to territorial transfers for the accomplishment of the new roles provides a perspective on the way in which local governments depend on said transfers, and the criteria followed for their distribution. Two predominant criteria can be noted: the demographic criteria, as in the case of Bolivia, where, from July 1995, by means of the Administrative Decentralisation Law, 20% of the funds of the country’s General Treasury started to be transferred quasi-automatically to the municipalities, according to the number of inhabitants; and a second criterion based on compensation for social inequalities, like the one applied by Chile and Colombia.

Colombia has made a remarkable transformation in its transfer system: “through Law 715, all previous systems were united (municipal participation, fiscal situation and development funds) in a single General System of Investments, and a clear differentiation was established between a system of “multipurpose” transfers” (17%) – which would now be the basic transfers and which are used basically for the provision of basic infrastructure services – and another two, the amount of which is calculated on the basis of needs and costs. These last two are devoted to subsidising family incomes so that all inhabitants may have a similar access to a minimum level of education and health services, thus provid-



ing a social redistribution system operated by the administrations of the sub-national governments (83% of transfers)” (Finot 2005: 39).

In this way, as stated by Finot (2005: 43), the transfer systems of the region are not enough for the fulfilment of the new roles of local governments or for better adaptation to the requirements of the territories.

With regard to the construction of new forms of governance, new allocations and the

March 1997, or of Peru in Article 197, where the provision is made that municipalities “promote, support and regulate neighbourhood participation in local development.”

The second form of participation identified in South America – the participatory budget – does not arise from its incorporation into the legal frameworks by central governments, but do local governments sponsor the result of participation practices independently. These forms of participation have achieved a high degree of institutionalisation that has transcended the achievements and successes attained in the places in which this initiative was carried out earlier (Porto Alegre, Montevideo, Belo Horizonte).

8. Institutional deficits and some strategies to overcome them

Reflections regarding the difficulties of the institutional consolidation of South American local governments in view of the recent decentralisation processes mainly deal with topics connected to the distribution of power and resources, as well as the establishment of new guidelines for relations between the various levels of government and the local government and its territory. A perspective based on local governments and the institutional deficits entails taking the municipality itself as a starting point and reconsidering some questions which, in the light of more than a decade of decentralisation proposals, still remain under discussion. Is the increasing number of municipalities in South America a good indicator of democratic institutionalisation and the construction of governance? Is the regulatory framework a sufficient requisite or is the construction of management capacities insufficient for the new institutionality?

Table 2: General characterisation of local governments in South America.
Institutional competences and capacities of local governments

Political-administrative characterisation of local governments	a. minimum political administrative territorial-based forms of government, acknowledged in national legal frameworks
Exercise of local governments	b. election by popular vote
Verifiable processes in the last thirty years	c. greater hierarchy and powers to local governments d. creation of new formal institutional spheres e. reformulation of existing institutional spheres f. definition of new roles g. promotion of the development of its territories
Central issues for the consolidation of new roles	c. local government autonomy d. municipal financing system e. formulation of territorial development strategies
Central issues for the consolidation of new forms of government	• forms of participation established from central governments • participation practices sponsored by local governments

institutional capacities of municipalities in order to establish new forms of relations between local governments and civil society, a first reference may be made to those forms of participation established from central governments, which are provided for in the legal frameworks, as in the cases of Bolivia, with the Popular Participation Law of April 1994 and the regulations for Participatory Municipal Planning of

Although answers in this regard are many, a differentiation between both aspects is required for the orientation of this discussion: on the one hand, between those municipalities with a minimum critical mass and those who do not and who are then considered to be infra-municipalities; and on the other hand, between the management capacities and minimum parameters to be taken into account for the exercise of government functions.

Regarding the critical mass of municipalities, municipalities may be classified following the criteria proposed by Daniel Cravacuore (2005) for the case of Argentina: municipalities with small populations, unviable government structures in terms of budgetary sustainability, the inability to provide basic services to their people and a limited capacity to manage municipal competences. On top of this, in the Argentine case, the municipal level does not have direct tax revenue, therefore it depends entirely on provincial governments. The contrary to this situation is represented by Brazilian municipalities, where the constitutional mechanisms for their creation provide for their autonomy and the allocation of a fixed budget for the fulfilment of their functions, giving rise to territorial participations and to the creation of new municipalities as a strategy to obtain more funds.

The problems of municipal configuration at territorial level has given rise to municipal association strategies, some of which are protected by the legal frameworks in force in that respect, together with the possibility of joining forces with each other. However, this possibility or the means for its implementation are not generalised.

Such strategies are generated as a way of overcoming institutional deficits and

of establishing mechanisms in order to provide new services, satisfy social demands or traditional tasks of local governments. In turn, association strategies are a change from the logic of competence to the logic of cooperation, as well as a strategy for restoring and strengthening municipal institutionality, leading to increased effectiveness and to a broader visibility of local governments in the territory.

With regard to management capacities and the minimum parameters required for government, the links between the political driving and technical administrative abilities of local governments are to be mentioned. While these elements are considered in all regulatory frameworks, they are included in the local governments' agendas:

Financial strengthening of local management by enhancing its tax collecting capacity, its access to capital markets and establishing transparent and effective transfer systems, as well as guaranteeing mechanisms to overcome territorial imbalances.

Strengthening the technical-administrative capacities of municipalities, furthering modernisation processes that include institutional development and, as a complement to this, the creation or strengthening of municipal administrative careers.

Promoting social participation, public management transparency and the creation of local deliberation spaces and mechanisms as an essential condition for decentralisation to contribute effectively to local development.⁵

Local governments in South America have considerable differences between their regulatory frameworks and their realities.

⁵*Declaration of the II Ibero-American Summit for State Decentralisation and Local Development. El Salvador, July 2005.*



In this regard, our prior statements are confirmed: serious institutional deficits are basically due to local capacities for management and governance.

9. The Southern Cone

The configuration of local governments' new roles in the countries of the Southern Cone (Argentina, Uruguay, Brazil and Paraguay), can be characterised as a process coming from the territories based on experiences of local government levels connected to the construction of decentralised spaces and spaces for the promotion of development. These decentralised spaces have scarce competences in terms of the execution of infrastructure works and the control of finance resources. But they are focused on quite a relevant element: the integration of social actors into the construction process of the public agenda thus discussing the relevant matters. (Gallicchio and Camejo 2005). The political configuration of these countries since the democratic reconstruction of the 1980s, which led to these processes, has made them more likely to incorporate a decentralisation matrix from national governments. However, such processes have the negative aspect of a strong "intra-national disparity", in the sense that, due to their own characteristics and despite having incorporated reforms or new regulatory frameworks at national level, have not had a generalised impact in their own countries.

Decentralisation as a local conquest appears on the horizon as an issue for the agenda, in order to generate sound processes with a long-term perspective.

This becomes relevant in view of the necessary democratisation of development management. It implies the challenge of a new institutional engineering to redesign the relationship between territories and central

governments, and the new roles assumed by them within the context of a new conception of its transformation which is not centred on giving up responsibilities, a characteristic typical of State reforms of the 1990s. The current challenges in these countries are related to the generation of legal frameworks that delegate tasks to sub-national governments and to the promotion of those processes that globally strengthen local societies, democratise their governments and consolidate the capacities of social organisations to question them and to generate integral proposals and conditions for local governance.

Inside the states of the Southern Cone and their own societies, together with these orientations, recentralising forces which associate decentralisation with neoliberal policies and distrust the capacities of local societies to generate processes of economic growth and democratisation coexist. Therefore, the Southern Cone has an open space of struggles between these recentralising efforts and those represented by actions intended to support the decentralising orientation of government national entities who try to deconcentrate power in order to bring about development.

These actions aiming to strengthen the local domain try to take advantage of the social-historical juncture marked by the weakening of certain traditional mechanisms for mediation and political control in countries like Chile and Uruguay, which are strongly party-centric. A relaxation of the bonds which have historically connected political parties and social movements may give rise to two diverging processes: the higher corporatism of the latter, with negative consequences in terms of social integration and the generation of more democratic institutions, and an increase of autonomous social participation. Local development may act as

pointsman of this crossover to the second possibility.

Thus, citizen participation emerges as an indispensable requirement in articulating these processes with territorial projects and social systems. Citizenship currently constitutes a space for the discussion of meaning. This means that its representation as a process for the discovery and construction of rights competes with visions of it as access to consumption, as the exercise of legal powers or of the development of individual potential. The exercise of citizenship today requires integral perspectives which connect it with education, organisation, identification of needs and institutional reforms. Participation should not be confused with social attention, with the mere exercise of opening state windows for them to “hear concerns”. Social participation as a value and means for inclusion may be a reliable indicator of local development processes. Therefore, social strengthening is associated with the generation of institutionality, inter-cultural dialogue, the construction of collective subjects, the promotion of spaces of encounter, and the furtherance of bonds between the local and the national and the reintroduction of the political.

In some cases, social participation may work to awaken the government political actor, traditionally abstracted, self-referent and not inclined to share the power.

And finally, the provision of economic sustainability to decentralisation and local development processes represents a challenge to the social and political actors of the Southern Cone. The experience accrued is important in terms of the empowerment of civil society, but its efforts have not been accompanied by the development of material support. It is a failing of these processes that the participatory model is basically centred on

the distribution of a lesser part of the municipal budget, while development strategies are not realised. The risk involved is that the question “what’s next after participation?” may not have a satisfactory answer in terms of the improvement of quality of life.

At the most, many processes of organisational capacity strengthening hardly succeed in having an impact in terms of a subsistence economy.

The generation of wealth and its territorial ownership in local development processes appears as one of the weaknesses of the intervention processes in which many organisations are involved. Consequently, local development in the economic dimension, and more precisely greater equality in the redistribution of resources, appears as an unsolved matter to be dealt with in order to foster projects which, despite or in keeping with macro-policies, generate growth, strengthen local economic agents, create spaces for negotiating the surplus with big companies and democratise access to knowledge, experiences and technical assistance. This complexity of local economic development processes implies the need to connect them to decentralisation and social participation.

10. The Andean Region

The generation of democratic institutionality at a national level and its connection with decentralisation processes represent the main challenge for the Andean countries.

Institutional weakness is often associated with an incomplete construction of the nation-state, therefore the contents of decentralisation and the integration of new roles at government local levels is restricted to a distribution of the territory between the central State and the provinces. These processes may be characterised as central government politi-



cal construction. They include the creation of legal instruments to promote a process of political and territorial reorganisation like, for example, the establishment of municipalities, mayoralties or similar spheres of local and regional government. The main objective of these reforms is to achieve an improvement in the quality of management and administration of financial, human and material resources of the national states. The most significant example of this type of process is the above-mentioned Popular Participation Law passed in Bolivia in the year 1994 (Gallicchio and Camejo 2005).

The challenge in these processes is to generate institutionality, not only in the sense of more laws, but by establishing organisational capacities on the part of the State to develop new forms of action and representation as well. That is to say, an inclusive and multicultural nation-state, not captured by regional groups of power or elites detached from local social or cultural structures. In that regard, in the Andean region it is particularly important to connect institutionality with the inclusion of the indigenous population or, at least, with respect for their own forms of social organisation. Education represents a space of action wherein the recognition of the other may promote the levels of self-esteem and confidence in these communities and between them and the people of mixed race. The basis upon which the local development agenda operates is that of cultural forms that have been deeply-rooted for centuries, which may give rise to organisational forms that may communicate with a project for the construction of democratic institutionality in the Western sense of the term.

Indeed, the construction of a national state in times of post-nationalism seems an anachronistic challenge. But for the Andean countries, where the exclusion of large masses

by the colony is the rule more than the exception, it is the only way out of the disintegration and balkanisation of conflicts.

In this context, the construction of the State from the local sphere appears as an alternative combining diversity and unity. These processes require the articulation of strong exchanges at a cultural level, a modification of the actors' behaviour patterns. A relevant level of involvement is that concerning formal and informal educational systems. Education represents a necessary space of action to generate the opening of its actors and the new generations to participationist and decentralising proposals.

Historically, education represented a hard core of traditional thought, characterised by hierarchical non-negotiable relationships, and has often been the spearhead of State centralism. Therefore, the main challenge in the Andean Region is the construction of a new local-national relationship logic which articulates different roles in both instances of State power. A simultaneous rethinking of the central State is required in order to reformulate local power. The time of the territories is not necessarily the time for the death of broader political projects.

A second challenge is to build this articulation inwards in their own structures and in their relationship with local actors, which entails a new – less vertical, less exclusive and less reified – way of conceiving power.

A third challenge is to construct with its societies a new way of thinking “good government”, not to find new universal and timeless formulas, but rather as a local project of visualising society-government-State relationships.

Lastly, an epistemological challenge: to develop a new way of constructing knowledge, local awareness in the territories, in order to articulate the strategic logic, the sys-

tematic thought and the daily participation in face to face relationships where the affectation of crystallised forms of knowledge, actions and symbolic structures is on the line.

As José Luis Blanes stated in terms of the Bolivian reality, which is also applicable to other countries of the Andean region, “the time for legal reforms is over, institutions need to be constructed or strengthened and, above all, new generations of operators need to be created. In this regard, laws and their acknowledgement and acceptance constitute the local sphere, but observance and respect have a lot to do with the systems of values and the prevailing political and social culture. Clearly, the Bolivian case (not an exception in the region) is a question of informal institutions, particularly with the perverse prevailing political culture.” (Blanes 2003).

11. Decentralised cooperation as an element for the strengthening of local institutionalities

The institutionalisation of new roles in local governments in South America is a process with ongoing experiences that is on the agenda of the national and local governments of the continent. As has already been mentioned, this is an uneven process, with different levels of progress between and inside countries, and which shows gaps between discourse and practice.

In this context, the consolidation of new roles is closely related to the consolidation of new forms of governance. Therefore, the main lines of cooperation should strengthen not only local governments but also, in a broader sense, their territories.

Decentralised cooperation stands out from the other typologies for the identity of its main agent: the territory. Due to its

characteristics, it represents an instrument of direct support (without central governments’ intermediations) to local government levels.

Consequently, it is necessary for decentralised cooperation to visualise territories as subjects of cooperation rather than as objects of assistance. This implies an ethical sense of cooperation: the acknowledgement of the specificities of the subject and the respect thereof. That is why we must focus both on the what for as well as on the how of cooperation. Strengthening the capacities of a territory cannot be subject to the models of the cooperating party but to the projects of the beneficiary.

In this regard, decentralised cooperation must arise, in each case, from the specificity of the territory that is its subject. This specificity may be shaped from local territorial agendas. In Latin America there are multiple local agendas at continental level, like the Declaration of the II Ibero-American Summit for State Decentralisation and Local Development, held in El Salvador in July 2005, which was called by the territories, or the Summit of the Americas, held in Mar del Plata in November 2005 and called by the central governments and multilateral bodies. Beyond the similarity of their contents, the drawing up of the agendas responds to different models.

The local agendas of territories may represent a good instrument for cooperation, supporting the way in which agendas are defined (linked to local governance), the topics (linked to the development targets of the territories), the articulation with regional or national projects (linked to the autonomy of local governments) and the material and human resources for their execution.



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Governance and Institutional Strengthening

The institutional challenges facing local governments in Central America; institutional deficits and capabilities affecting decentralised cooperation

KEY WORDS

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This article intends to identify the main institutional deficits of Central American sub-national governments that can affect the design and implementation of decentralised cooperation programmes. First, the author underlines that such differences do not always respond to internal factors of local administrations, but that they may also arise from the context in which such territorial institutions operate, upon which institutions are not able to make direct changes. The main contextual obstacles identified by the author relate, on the one hand, to the impact of the economic reforms recently implemented on social cohesion at a local level and on the State models; on the other hand, they are linked to the incomplete process of democratic consolidation in Central America, particularly in the case of the electoral regimes, which fail to provide adequate frameworks for local democracy. Next, the article deals with deficits arising from municipal institutionalism itself, ranging from those regarding legal frameworks and the attribution of competences and inter-institutional relationships to those connected to weaknesses in administrative capabilities and the obstacles arising from local financing systems. The author ends by presenting a set of recommendations to be taken into account in the design of decentralised cooperation programmes which would help to overcome and not aggravate the institutional deficits dealt with in the article.

1. Introduction

The purpose of this article is to identify the main institutional deficits of Central American local administrations which may affect the design and implementation of decentralised cooperation programmes. In this regard, the concept of institutional deficits¹ will be applied as a guideline to identify the main noticeable deficiencies of these local administrations. This concept will be understood as the obstacles hampering or hindering the performance of those functions and tasks attributed to institutions, in this case the Central American municipal institutions, and which become clear in the gaps created between what the organisations intend or are designed to do and what they effectively achieve.

The article is therefore focused on the identification of deficits in institutional capacities according to their classification as different types, in order to contribute to further organising the recommendations. Such deficits are not always the result of internal factors of local administrations, but they may also arise from obstacles of the context in which the institutions are immersed, and upon which they are not able to impose direct changes. However, they have to be taken into account as they also have a bearing on institutional performance. That is why time should be taken to identify institutional deficits or hindrances coming from the context in which local administrations are set, but also those related to:

- a) the legal framework regulating municipal administration in Central America;
- b) the system of competences and inter-institutional relationships;
- c) the administrative capacity of local administrations; and

d) the financial capacity of municipalities.

Central America is not a homogeneous region. In fact, it has been mentioned that many Central Americas coexist in one, from the most developed countries like Costa Rica and Panama, to the least, represented by Honduras and Nicaragua, including some countries placed between both poles like El Salvador and Guatemala.² According to UNDP, this region is affected by various asymmetries which, “beyond national political borders, dislocate its economic, cultural, political and social functioning as an inte-

¹ *The concept of institutional deficit was elaborated by Tobelem (1992). In this case, it shall be applied to municipal institutionalality. According to Oscar Ozlak and Edgardo Orellana, the ICADS methodology applies in cases where it is necessary to identify the degree of the current institutional capacity to carry out certain actions, to evaluate obstacles and weaknesses to be removed or eliminated and to create actions and plans required to those effects. In this regard, the temporal dimension of reference is the future, and its application is conceived particularly for programmes and projects. The typical situation is the analysis of the institutional strengthening component required to guarantee the success of a project. This is how this instrument was initially conceived. However, it may also be applied to knowing the capacity deficit in the ordinary management of an organisation, as well as to assessing the results of a programme or project. In other words, even when it was not expressly included in the original intention of the methodology, it is confirmed that the ICADS approach is also compatible with the analysis of the ordinary management of an institution (Ozlake and Orellana no date). It is applied, in this last sense, to evaluating the institutional deficits of Central American municipalities.*

² *According to the Second Report on human development in Central America and Panama 2003, in 2001 the regional Gross Domestic Product (GDP) exceeded 66.5 billion dollars, and per capita GDP was 1,843 dollars. However, a comparison of this last indicator between countries shows remarkable differences. While in Costa Rica and Panama it exceeded 3,000 dollars, in Honduras it did not reach 1,000 and in Nicaragua was 472.*



grated region and, in some cases, disarticulate regional dynamics themselves.” (UNDP 2003: 45). That is why any participation demands that the existence of remarkable human development gaps between countries, within countries and between social groups be taken into account. This warning is equally applicable to institutional capacities, which are not homogeneous in the area either, with major differences in capacities which call for adaptation to the different realities of the countries (Sojo 2000).

However, given the prevalent centralism in the region, realities referring to sub-national governments are often not noticeably different between some countries and others, and, on the contrary, a set of similar characteristics are found among them, despite the heterogeneity registered in the identified dimensions.

Next, we will make reference to some basic elements of the environment and the situation of Central America, some outstanding characteristics of its local and regional administrations, the main institutional deficits which may affect decentralised cooperation and some recommendations to support the overcoming of identified obstacles.

2. Institutional deficits related to the context of local administrations

We believe it is important to identify at least four elements of the current Central American context that hinder the action of local institutions. Two of these are connected to recently-implemented economic reforms (due to their impact at the local level and on the models of the State), and the other two are associated with the situation of democracy in Central America and its electoral regimes.

2.1. The impact of economic reform at local level

As in most parts of Latin America, due to the debt issues of the 80s and the need to pay off foreign debt, in recent years the Central American region has experienced processes of economic reform and structural adjustment which have led to a reduction of the State in terms of its size and its functions, moving towards higher market centrality. This has led to a higher concentration of wealth in the hands of the few, the higher exclusion of majorities from basic services and opportunities, and increased inequality, a fact which has also led to the strengthening of traditional centralism in the political sphere.

Consequently, social cohesion issues arising from the economic model and the plans for structural adjustment have worsened,³ which among other things has brought about an increase in local demand for employment alternatives and development in general, for which local administrations are not prepared. In most cases, short-term demands make local governments respond to urgent issues, leaving

³*“In 1990 59.8% of the 28 million Central Americans were in conditions of poverty, and 27.3% in extreme poverty. Estimates for 2001 show that 50.8% live in conditions of poverty and 23.0% in extreme poverty. Nevertheless, this reduction did not prevent the number of poor people from increasing, due to population growth. Therefore in 1990 there were around 16.8 million poor people, towards 2001 the number increased to 18.8 million, that is, 2 million more” (UNDP 2003: 29) On the other hand, in terms of inequality, some Central American nations are in the most extreme situations within the Latin American continent, which is deemed to be the most unequal continent in the world. According to the Gini coefficient, in all the countries in this area, 10% of the population receives between 29.4% and 40.5% of national income, while the 40% with the lowest per capita income receives between 10.4% and 15.3% of national income.” (UNDP 2003: 30).*

important matters aside. Lack of responses permanently feed migratory processes in the region, one of the most significant consequences of which is the erosion of its human capital (particularly evident in local spaces).

This limitation has a double effect on decentralised cooperation: on the one hand, there is a certain tendency to request support for short-termist projects, which usually makes strategic planning unfeasible; on the other hand, the pressure of these types of demands often aim at putting into practice assistance cooperation schemes which fail to lay down the foundations for sustainable and long-term local development. Moreover, this tendency does not always contribute to transforming the prevailing way of thinking of mayors and city councillors of assuming the traditional role of providers of services, to the detriment of their more strategic role as local development promoters.

2.2. The impact of economic reform on State modernisation

Plans for economic reform have been guiding the institutional reform of the State and have influenced the modalities and rhythms of the new establishment of democratic institutionalism. Thus, State reform has led the new State to release itself from its minimum social duties towards its people, and to weaken its role in the neutralisation or compensation of the negative effects of the social differences resulting from economic reform.

That is why in Central America, just as in the rest of the continent, contradictions can be seen between inclusion dynamics

fostered by democratisation processes and the real processes of social exclusion brought about by the movement of the economy and structural adjustment plans (Calderón Gutiérrez 2002: 46-47). In these circumstances, as Calderón Gutiérrez underlines: “the market’s leading role imposes a view of individuals as disorganised consumers focused on the private sphere, and not as citizens capable of exercising their rights, so the ties of social solidarity are weakened. Indeed, modernisation and/or structural adjustment processes tend to generate a huge imbalance between a State dynamism that is progressively reduced in the economic and even social sphere and the maintenance of clientelistic and asset-protection practices in the State-society relationship” (Calderón Gutiérrez 2002: 46).

But perhaps it is even more important that structural adjustment plans – with the reduction of State size and functions – have given rise to a decentralisation model aimed at transferring the fiscal deficit to local governments, which represents the transfer of central government responsibilities to sub-national administrations, whether in a de facto or way or using legal measures, without the consequent transfer of resources. This affects the design of decentralised cooperation, which will have to take into account the implications of this tendency: a chronic shortage of all kinds of resources in local administrations. This is especially relevant with regard to the revision of a rigid co-financing policy, which faces serious limitations in most Central American local administrations, and the encouragement of timely and appropriate flexible technical exchange and support policies adapted to the reality of these administrations.



2.3. The situation of democracy in Central America

Except for Costa Rica, the experience of democratic life in Central America is recent and essentially electoral.⁴ The change from military or authoritarian regimes in the region as from the mid-eighties has not guaranteed the existence of full democracy. There is still a long way to go, as underlined by Torres Rivas: “abandoning dictatorship is not the same as implementing democracy. The transition implies a gradual regime change that takes place due to the convergence of several elements, but that has the common feature of the erosion of autocratic power, leadership crises and social mobilisation against the suppression and abuse of human rights” (Torres Rivas 2004: 151-2). There is a severe democratic deficit in Central America which cannot be ignored in view of the striking electoral democracy. It is true that it is being overcome by a new democratic institutionalisation, particularly in the local spaces with direct social participation, but this practice is still far from being consolidated as a common experience in the field.

On the other hand, the external democratising impulse, shared by other countries, tends to be implemented in the case of Central America beyond the local socio-economic conditions, coinciding with socio-political processes of internal struggle against authoritarian governments. That is why, in the opinion of authors like Torres Rivas: “democratic regimes established in Central America are the outcome of socio-political processes which include permanent popular struggles against military dictatorships rather than the product of socio-economic structures supporting the modernisation of political life” (Torres Rivas 2004: 153). The result is a democracy with serious weaknesses in its material referent and with weak capacities for inclusive responses, which means it has a highly

formal nature. On top of this there is strong external dependence, allowing for the permanent and open action of extra-regional actors in internal socio-political processes, aside from the tendency of Central American governments to be more concerned about adapting their behaviour to the demands of donors and creditors than responding to their voters.

So, the agenda for democratic consolidation includes the challenges of equitable and inclusive development with those of the democratic reform of the State. The State must play a major role in the redistribution of wealth and in the response to the social agenda, but also in the protection of rights and in the design and implementation of institutional reforms which favour the creation of administrative – and also political – capacities. This progressive institutional reform should be aimed at putting an end to states ruled by political bias, to bring about genuine rule of law through the actual independence of the state powers and the autonomy of supervisory and audit bodies, closing all margins of discretionary interpretations and corruption in the management of public assets.

In fact, despite the progress made in democratic design after an era of authoritarian governments, it is clear that the area has to invest in democracy to make it progress beyond its

⁴“The conversion of military dictatorships into political democracies is a belated possibility in Central America, and it only appears as from the eighties, with variations in Guatemala and Panama and with the exception of Costa Rica. The end of the Cold War furthered some experiences that were favourable to democratisation, such as the end of internal armed conflicts, the devaluation of ideological and political polarisations, the decrease of the anarchy of illegitimacy. Without the dark pretext of anticommunism, military functions are redefined. Free and not fraudulent elections take place with civil candidates, freedom of speech and elements of tolerance. This set of new developments represents something unknown, exceptional in the history of the region leading to a potential and hazardous modernity” (Torres Rivas 2004: 152).

electoral dimension; yet this need is confronted with the logic of State neoliberal reform policy, bringing about a contradiction between the need to build democratic institutionalities, which implies an increase in expenditure, and the logic of structural adjustment that tends to reduce it.

This contradiction is especially clear in the case of a key element for democratic consolidation: the need to invest in the construction and enlargement of citizenship, currently extremely restricted by the social, economical and cultural conditions in the region, but which usually has no funds allocated to it as it is not considered an expenditure priority.

2.4. Electoral systems

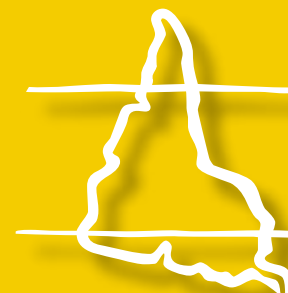
With regard to the fourth contextual element, despite changes in the political systems and the recent electoral reform that enables the direct election of mayors in all the countries (see Table 1), Central America still has electoral systems which fail to provide local democracy with the appropriate frameworks. There are deficits in the existing political environment of electoral regulations and in the political system in general that hinder the possibility of a sound election of local authorities, including closed or two-party electoral systems, local elections carried out simultaneously with general elections, and monopolistic representation systems.

Here, we will focus on three deficits of the political-electoral system: the holding of elections independently from general elections, the range of the democratic representation system and the system for the conversion of votes into seats or posts according to the local system. In the first case, in countries with recent democracy (as is the case for nearly all the countries in Central America), it is compulsory to separate local from general elections in order to underline the importance of people being able to analyse

local candidates, programme platforms and local government plans during the electoral campaign processes before casting a conscious and well-informed vote. It has been noted that when local elections are held together with general elections, the weight of centralism and traditional presidentialism in the political system causes electoral debates to be centred on presidential elections thus minimising the importance of local elections.

For the last few years there has been a struggle in the region for an electoral system that establishes local elections to be held separately from general elections. This demand is part of a broader institutional reform aimed at favouring election systems that strengthen democratic culture beyond all forms supporting traditional caudillismo, which is still alive in the region. There are currently three countries in Central America that hold separate elections: Nicaragua, where they were first put into practice on 5 November 2000, Costa Rica in December 2002 and El Salvador, where they were held jointly with the elections for members of the parliament but separately from the elections for the President of the Republic. With regard to Guatemala, an electoral reform in 1997 cancelled all mid-term elections and, since 1999, all elections are held together with the national ones. It is thought that a reform leading to separate elections would contribute to the election of better local authorities and government plans in the local sphere. This would favour decentralised cooperation, as there would be better legitimate interlocutors and more accurate local plans in which to carry out long- and medium-term solidarity actions (see Table 1).

The second case deals with the democratisation of local representation systems. The intention is to confirm whether the political-electoral systems allow people to



take part in the construction of their local governments by means other than political parties, thus expanding the democratic representation system within the political system. In this regard, the tendency in Central America has been to maintain the monopoly of political parties as the only and compulsory channel for electoral participation and for the construction of local government. Guatemala has been the exception, as there are the so-called civic electoral committees which allow electoral competition and the presen-

when they were eliminated despite the strong citizen opposition expressed in polls.⁶ In the case of Costa Rica, there is reform proposed of the Electoral Law which provides for the existence of citizen non-party associations to take part in local electoral processes, though with some disadvantages with regard to political parties.

Finally, regarding the issue of the conversion of votes into posts, even in Central America some systems restricting local rep-

Table 1 - Electoral Regulations of Municipal Governments

	Costa Rica	El Salvador	Guatemala	Honduras	Nicaragua	Panama
Type of election*	Direct	Direct	Direct	Direct	Direct	Direct
Ballots to elect mayor and city councillor**	Two	One	One	Two	Two	Two
Political organisations to access municipalities ***	National, regional, provincial and municipal party	National party	National party and civic committees	National party and independent candidates.	National and regional party	National party and independent candidates
Coincidence with electoral calendar****	Yes	No	Yes	Yes	No	Yes
Type of representation in city council *****	Proportional	Absolute	Parliamentary	Proportional	Proportional	Electoral district
Re-election to municipal offices	Consecutive	Consecutive	Consecutive	Consecutive	Alternate	Consecutive

*Direct election is when the citizens elect their representatives; indirect when citizen vote elects members of a collegiate body who elects the executive

** Only one ballot to elect mayors and members of city council; two ballots when separate ballots are used for each of said offices National party refers to parties registered throughout the country; provincial party to those registered only in one of the provinces, departments or regions. Civic committees are non-party ways of electoral participation.

**** Refers to coincidence between national and municipal elections.

Source: State of the Region 1999, updated to 2005 by the author.

tation of candidates for the construction of local governments with citizen options apart from the political parties.⁵ Nevertheless, a reform in the law of political parties and in the electoral law has made the existence of civic committees more difficult by making requirements for their constitution more complex (see Table 1).

In Nicaragua the body equivalent to Guatemalan civic electoral committees were the so-called “popular subscription associations” which existed from 1989 until 2000,

representativity persist, such as in El Salvador where the absolute representation system grants all city councillors’ positions to the party who obtained the majority (see Table 1). Broadening democracy to include the

⁵Civic electoral committees are defined by law as “temporary political organisations which nominate candidates to popular election posts in order to include municipal corporations” (Córdova and Rivera 1996:76).

⁶See “Grupo Ética y Transparencia”. Citizen enquiry, February-April 2000; also IEN – Governance poll, February, 2000. In both cases rejections to this reform are around 70% of those polled.

local sphere calls for a more representative, participative and transparent territorial government. Among other changes to be promoted, it is considered that city councillors should be more plural in order to accurately represent the heterogeneity and diversity of interests and opinions of local citizens. It is also deemed convenient to review the existing relationship between the city councillors who integrate these collegiate bodies, and the mayors, considering that plural representation in municipal councils is not always taken into account in decision-making processes. All these elements of the electoral design affect decentralised cooperation as much as they restrict the legitimacy of those elected and their local representativity.

3. General characteristics of Central American local administrations

In Central America there are currently a total of 1,199 municipalities, ranging from 332 in Guatemala to 74 in Panama and 81 in Costa Rica, including 298 in Honduras, 262 in El Salvador and 152 in Nicaragua (see Table 2). Some general characteristics of these local administrations follow.

There are major differences in these administrations in the countries and between the countries. Traditional centralism has generally been expressed in the excessive size of Central American capital cities with regard to the rest of the local administrations. Thus for example San Salvador, the capital city of El Salvador, illustrates the high concentration of population and economy and, consequently, the high demand and concentration of the existing services in Central American capital cities. Indeed, in 1990 the San Salvador metropolitan area encompassed 66.7% of the population of all the country's depart-

ment capital cities, and 49.4% of the whole urban population of the country; in turn, the municipality of Managua encompassed 21% of national population, as per the 1995 census (Ortega Hegg 1999).

This concentration is also applicable to the revenue of municipalities in capital cities: in 1992 capital cities absorbed an average of 41.3% of current revenue, with San Salvador, first with 61.9%, then Panama with 47.5%, and then Guatemala and Managua both with 43.8% each (UNDP 1999: 236).

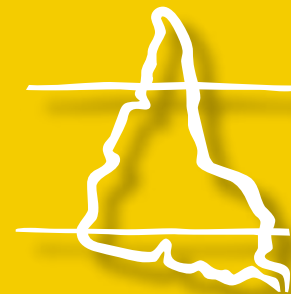
Table 2 Basic information regarding Central American municipalities

	Area (km ²)	Total population (in millions)	Density	Number of municipalities	Degree of municipalisation*
Total	488.450	397	-	1199	36,82
Costa Rica	51.100	43	84	81	53,08
El Salvador	20.935	69	329,15	262	26,33
Guatemala	108.889	126	115,71	332	37,95
Honduras	112.088	72	64,23	298	24,16
Nicaragua	118.358	55	46,47	152	36,18
Panama	77.080	32	41,51	74	43,24

* Degree of municipalisation is the average of population by municipality (in thousands)

Source: *State of the Region in sustainable human development, 1999, municipalities and population data updated by the author (UNFPA. State of world population, 2005).*

There are huge differences and territorial gaps between municipalities and regions within the same country and between countries, giving rise to high municipal diversity expressed in differences in geographical extension, infrastructure and communications development, population, degree of poverty and development, municipal income, economic possibilities and others. Within the same country and, particularly, between countries, municipalities and cities that are comparable to some counterparts in the first world coexist with municipalities and populations similar to peripheral, very backward counterparts. This situation generates remarkable differences in the provision of services to citizens by local



administrations and different capacities for the fostering of local development processes for the benefit of the citizen.

Central American local administrations are in the middle of a process of modernisation and change. Peace agreements in the area during the 1990s have set out the conditions for promoting a general democratic framework and a process for State reform and modernisation which includes decentralisation. Such processes have simultaneously been driven by three tendencies: firstly, by a global tendency for State reform, given that the old traditional centralist State is no longer functional for capital accumulation processes as it obstructs the accelerated development process of the free market which comes along with globalisation; secondly, by a tendency towards the democratisation of states, which brings the State closer to the citizens, transferring a large part of state activities to sub-national instances; and thirdly, by endogenous processes of populations of the area in search for inclusive responses from the State to unsatisfied needs and poor access to services and opportunities. It is worth mentioning in relation to this last issue that peace and democratic transition processes have put these demands back on the priority agenda for Central American populations, after having being postponed for a long time due to situations of armed conflicts in the region. Consequently, processes of State reform – particularly processes of decentralisation and democratisation – have raised high expectations among citizens.

Central American local administrations have been strengthened by incipient processes of administrative deconcentration and decentralisation, although these advances are quite restricted, showing extreme slowness and intermittence, depending on the periods of government. Decentralisation experiences have been limited to pilot decentralisation

projects, and the most outstanding changes have taken place in legal spheres rather than in reality. The most outstanding resistance is that of financial-fiscal decentralisation, which may not even be put on the agenda of central governments in its full breadth. Yet a quick assessment of the process shows that there have been significant initiatives of citizen participation in management and a certain opening-up of the State to citizen influence, more administrative experience for local governments, as well as successful, though still isolated and incipient, experiences of local development. Recent studies on decentralisation in Central America also points out that decentralised policy has no opponents, at least not openly, among the various actors (Ortega Hegg 2003b). Political parties as well as central government officers, civil society, mayors' associations and even international cooperation sectors express an intentional discourse in support of the process. This would represent a significant moment for the progress of such policies. However, in practice it has become clear that levels of commitment to the matter differ according to the actors, and that debate on the decentralisation model could introduce the vital necessity of coordinating the models (Ortega Hegg 2004).

Indeed, there are currently two conflicting models of decentralisation in Central America: the neoliberal model, which includes State decentralisation within the logic of structural adjustment and reduction of public expenditure, thus transferring central responsibilities to local governments without the resources necessary to meet them; and the democratic decentralisation model driven by the idea of bringing the State nearer to its citizens, to make the best use of the allocatory benefit of local governments, to strengthen their autonomy, and improve their role in fostering local development and in the provision of goods and services to the population.

There is no doubt that participation and coordination processes of Central American local actors will need to face – in the short and medium term – open and transparent debate concerning these conflicting models in conflict.

of issues on the agenda for the coming years (Rivera et al. 2001).

Gradually (and unequally in some countries) Central American local administrations have been experiencing successful

Table 3 Some characteristics of local administrations in Central America

Country	Level 1 *	Level 2 ** (Municipality)	Level 3 (Region or autonomous community)	Separate municipal elections	Term of municipal government (years)	Popular election for Mayor
Guatemala		332		Not since 1995	4	Yes, since 1945
Honduras		298		No	4	Yes, since 1983
El Salvador		262		Si	3	Yes, since 1982
Nicaragua	Communal governments in autonomous regions	152	Regional autonomous governments of the Atlantic-Caribbean	Si	4	Yes, since 1996
Costa Rica		81		Yes since 2002	4	Yes, since 2002
Panama	Small towns Election	67	Comarcas Indigenas***	No	5	Yes, since 1994

*Level 1 equivalent to the district in the case of Costa Rica, to the small village in El Salvador

** Level 2 number of municipalities

***Election for City councillors and election for Communal Board in small towns

Source: Own elaboration based on Cardona (1998).

Central American local administrations have progressively more different types of support to strengthen their managerial, technical and administrative capacities, which are operated from government institutions, universities and non-governmental organisations, and from some sectors of international cooperation as well. Municipal strengthening processes have taken place, particularly in areas such as the establishment of financial control systems, administrative and IT updating, several experiences of social participation, the provision of services, management of the environment and planning. However, this technical, research, consultancy and training support has so far been insufficient; in most cases it can be classed as an isolated effort that is not always coherent or systematic for the creation of local capacities and they are therefore still inadequate when compared to the magnitude of the tasks anticipated and the variety

relationships with the local population, although only in Nicaragua there is a specific law of citizen participation. In some cases, these relationships were hampered by the violent rupture of the social fabric in the 1980s. Various programmes of cooperation bodies and agencies have aimed to overcome these and other obstacles, generally with positive results. However, most of these social participation programmes have tended to accentuate models in which participation is seen as an instrument for public management to reduce project costs (labour expenditure) or to control resources (social auditing). This emphasis on exclusive participation in local management has led to a certain degree of social depoliticisation, which results in leaving important national decisions to be taken by representatives in the national – and even global – central space, without due influence, control and monitoring from voters.

Except in the case of the two autonomous regions of the Nicaraguan Caribbean Coast and the indigenous districts of Panama, where there are intermediate administrations between central and municipal governments, this type of body is inexistent in the rest of Central America (see Table 3). Even in the abovementioned cases of Panama and Nicaragua, such intermediate institutes are not generalised among all the administrative-public division in those countries. These are sometimes replaced to a certain extent by bodies like the Departmental Councils for Urban-Rural Development in Guatemala, or the Councils for Departmental Development in Nicaragua; in other cases, by associations of municipalities and county council districts, although such figures do not fulfil the administrative and government objectives inherent to an intermediate level specifically designed for this purpose.

illustrated in Table 4 (in general terms, this information remains in force, though it is incomplete). Furthermore, it should be noted that this table does not provide a full idea of the burden or responsibilities and competences of Central American municipalities, as some of the recent reforms have transferred new responsibilities to local governments, but mostly because a “de facto decentralisation” has taken place, stemming from the plans for structural readjustment and for State reform. This type of decentralisation consists of the de facto transfer to local governments of those services and responsibilities that central government has ceased to provide due to fiscal restrictions, as citizens are now demanding them from local governments. Some studies in Nicaragua, for example, count an average total of 14 services and new responsibilities transferred in this way to local governments,

Table 4: Municipal provision of public services

Services	Guatemala		El Salvador		Honduras		Nicaragua		Costa Rica		Panama	
	Law	Real	Law	Real	Law	Real	Law	Real	Law	Real	Law	Real
Water services	Yes	M	No	M/g	Yes	M/g	Yes	G	Yes	M/g	Yes	G
Solid wastes	Yes	M	Yes	M	Yes	M	Yes	M	Yes	M	Yes	M/g
Minor roads	Yes	M	No	M/g	Yes	M	Yes	M	Yes	M	No	G
Public markets	Yes	M	Yes	M	Yes	M	Yes	M	Yes	M	Yes	M
Cemetery	Yes	M	Yes	M	Yes	M	Yes	M	Yes	M	Yes	M
Street lighting	Yes	M/g	Yes	G	Yes	G	Yes	G	No	G	No	G
Traffic police	Yes	M/g	No	G	No	G	Yes	G	No	G	No	G
Certificate of birth, marriage and others	Yes	M	Yes	M/g	No	G	Yes	M	No	G	No	G
Building permits	V	M	Yes	M	Yes	M	V	M	V	M	Yes	M

M - means municipal.

G - means Central Government.

M/g - refers to a service rendered by central government and municipalities

Source: State of the Region 1999 updated to 2005 by the author

Some of the main services provided with no transfer of funds whatsoever. One of the most controversial points of the by Central American municipalities are

current design of local administrations in Central America is their shortage of funds to finance their competences. Fiscal decentralisation is the most-resisted element for central governments and for multilateral bodies themselves, such as the International Monetary Fund and the World Bank, in decentralisation processes in the region, in view of their idea that such processes should be limited to the transfer of more responsibilities to local governments without

absent or represent a minor component within the structure. In any case, resources available to local public administrations in Central America are insufficient, and no immediate changes to this situation appear likely in the near future, given that, as mentioned above, the general tendency of the decentralisation process in the region is to transfer new responsibilities without decentralising resources, which leads to a deteriorated capacity of response to citizens

Table 5: Structure of municipal income (in percentages)

Income/Countries	Costa Rica		Nicaragua		El Salvador		Honduras		Panama		Guatemala	
	1998	2002	1998	2002	1998	2002	1998	2002	1998	2002	1998	2002
Tax	65	73	63	44	24	21	50	68	71	76	25	25
Non tax	1	15	20	5	5	5	27	12	23	20	9	5
Transfers	5	4	0	11	46	55	15	15	4	1	50	60
Credit	3	1	0	0	0	0	0	0	0	0	14	8
Others	12	7	17	40	24	24	8	8	2	3	2	2

Source: Espitia Avilez (2002)

In general, there appears that tax incomes have the highest relative weight within the income structure, except in the cases of El Salvador and Guatemala. Transfers appear to be complementary and compensatory resources or an important instrument for the balancing of local financing. Credit resources are either

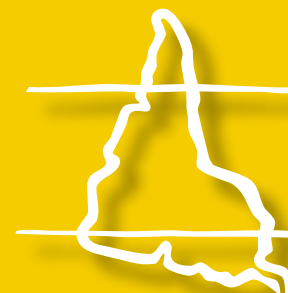
as well as of service provision (see Table 5).

On the other hand, the structure of municipal expenditure in Central America shows that, generally, current expenditure has a higher relative weight within the structure of local expenditure, with a slight reduction with regard to investment expenditure (see Table 6).

Table 6: Structure of municipal expenditure (in percentages)

	Costa Rica		Nicaragua		El Salvador		Honduras		Panama		Guatemala	
	1998	2002	1998	2002	1998	2002	1998	2002	1998	2002	1998	2002
Current expenses	76	74	58	50	62	54	Nd	46	69	72	Nd	36
Capital expenses	24	26	42	50	38	46	Nd	54	31	26	Nd	64

Source: Espitia Avilez (2002)



However, Espitia Avilez (2002: 55) underlines that in comparing income and expenditure by inhabitant for the year 2002 it was noticeable that municipal administrations used less than 50% of total income received for investments, except in the case of El Salvador.

The main municipal taxes and their relevance for tax collection are illustrated in Table 7. The most important taxes in the local taxation system are: firstly, tax charged on commercial, industrial and service activities (sales tax in Nicaragua); secondly, the real estate tax; and thirdly road tax. Except in the case of Nicaragua, in all the other countries there is a marked dispersion of taxes, most of which are not profitable. El Salvador and Panama are the only two countries in which municipalities do not have a real estate tax allocated.

4. Institutional deficits that can affect decentralised cooperation

Una vez señaladas las principales características de las administraciones locales en Centroamérica, a continuación se abordan los déficits que derivan no ya del contexto en que accionan las instituciones territoriales, sino de la institucionalidad municipal misma. Igual que en el caso de los déficits del contexto, aquí nos referiremos sólo a aquellos que pueden afectar la cooperación descentralizada, tanto en su diseño como en su ejecución. Estos obstáculos van desde aquellos referidos al marco jurídico y la asignación de competencias y las relaciones interinstitucionales, hasta aquellos que tienen que ver con debilidades en las capacidades administrativas, y los obstáculos derivados de los sistemas de financiamiento local.

Table 7: Municipal taxes

	Taxes *	Two major taxes	Collection relevance **	Two major taxes	Collection relevance ***
Costa Rica	8	Real estate	78.6%	Municipal stamp	7.2%
		Road taxes		Cement	
El Salvador	-	-	-	-	-
Guatemala	9	Oil and oil products	64.5%	Other municipal	3.2%
		Real estate		Other transferred	
Honduras	5	Industry, commerce and services	63.9%	Livestock	4.8%
		Real estate		Exploitation of natural resources	
Nicaragua	5	Sale	77.7%	Number plates	14.0%
		Real estate		Other taxes	
Panama	6	Profitable activities	91.6%	Livestock sacrifice tax	3.8%
		Road tax		Other taxes	

* It means the number of the main municipal taxes, those not included in the category "other taxes". Obviously, this item was taken as one, so it subregisters the number of municipal taxes.

** It means the proportion represented by taxes recorded in the previous column of the whole tax income of the municipality

Source: State of the Region 1999 updated to 2005 by the author

4.1. Legal framework

Municipal administration is based in the principle of legality, meaning that it is empowered to perform its functions and duties by express laws. In this regard what is required in this case is to study whether the current regulations clearly and accurately establish the municipal competences, and if the municipality is duly empowered to fulfil its objectives or if, on the contrary, the legal framework sets up obstacles or omissions in this respect. This case also covers cultural elements or interaction guidelines defined by the administrative and political culture that restrict, condition or hamper institutional efforts for the execution of certain tasks.

In terms of Central American municipal institutions, some deficits have been identified in the legal framework in terms of obsolete legislation, insufficient or inadequate regulatory formulation, legal vacuums, contradictions between municipal and sectorial legal framework, as well as elements of the prevailing administrative and political culture, opposing this legal framework.

Indeed, despite the outstanding progress of Central American legislation in the modernisation of the regulatory frameworks of local administrations, this progress has been unequal and incomplete. In some cases it is considered that the processes of reform and legal modernisation had not

Table 8: Main political-legal reforms of the municipal system (1990-2005)

Countries	Passed	Pending	Laws and Codes under revision and others
Costa Rica	Constitutional reform (1995) establishes transfer of 10% to municipalities, but requires a specific law which has not yet been passed.	Modernising local tax system	State transfer Law
	Local election on a date different from presidential		Update obsolete laws, like the liquor law.
	New Municipal Code in 1998, where, among many reforms, it sets forth the direct election of district councillors and mayors one year after national elections where presidents, members of the parliament and governors are elected.		Put some laws into practice, like the law for specific items and the law for tax simplification and efficacy which creates a single tax to fuels (law 8114).
	Internal Control Law; strengthens the role of internal audits.		
	Administrative Hiring Law; regulates processes of purchase and sale of goods and services.		
	Illegal Enrichment Law; provides regulations regarding corrupted behaviour, traffic of influences and others by public officers.		
	Real Estate Law No. 7729; transfers the collection and administration of property tax to municipalities (1996).		
	Law 8114; creates the fuel single tax and transfers 25% to municipalities for improvement and keeping of cantonal road network to municipalities.		
Law for Specific Items No. 7725 for district municipal councils (2000).			
El Salvador	Increase of the amount of Social and Economic Fund	Participation of political parties in municipal elections.	Plural representation in municipal councils (1998)
	Creation of Social and Economic Development Fund (FODES, 1988) and reforms thereto in 1997 and 2003, which transfer resources to municipalities.		
	General Municipal Tax Law (1991).		
	Transformation by legislative decree of the Social Investment Fund into Social Investment Fund for Local Development (1996)		
	Legislative approval of a reform to Municipal Code prepared in agreement by COMURES, ISDEM, political parties and 43 civil society organisations (2003)		



Guatemala	Constitutional reform (1994)	Modernising local tax system.	
	Official approval of the four-year period for Mayors; started in 1996.		
	Urban and Rural Development Councils Law and regulations thereof (2002)		
	General Decentralisation Law and its Regulations (2002)		
	Reglamento (2002)		
	Municipal Code (updated 2002)		
Honduras	Election in ballots separate from those used in national elections (1997)	Participation of political parties and local movements in municipal elections.	Reform to real estate tax.
	New Municipalities Law No. 134-90 (1990) and reforms thereto, which establish the figure of municipal commissioner, deputy mayor, new social participation mechanisms like open meeting of councils, plebiscites and municipal development councils.	Decentralisation in functions of health, education and natural resources.	Mayors' removal.
	Municipalities law regulation No. 018-93 (1993)		
	Law on territorial ordinance.		
	Frame Law on drinking water and basic sanitation.		
	Law for State modernisation No. 190-91		
	Environment General Law		
Nicaragua	Constitutional reform (1995)	Update Municipal Code(1988)	Decentralisation Law
	Reform to the Municipalities Law, Law No. 40-261 (1997).	Transfer of national budget	
	Reforms to Electoral law (direct election of municipal mayor and municipal elections in a date separate from general elections).		
	Municipal tax law		
	Regulation on the Statute of Autonomy of Autonomous Regions of the Atlantic in Nicaragua		
	Citizen's participation law		
	Law of Municipal administrative carrer		
	Cadastre Law		
	Law on Communal Property Regime of Indian Peoples and Ethnic Communities of Autonomous Regions of Nicaraguan Atlantic Coast and of Rivers Bocay, Coco and Indio Maiz		
	Municipal Transfer Law		
	Law on Municipal Budgetary Regime and its reform		
	Municipal Solvency Law		
	Law on physical fairness		
	Special Law authorizing Municipalities collection for Maintenance, Cleaning, Environment and Social Safety in Nicaraguan beaches.		
Law on Regimes for Vehicular Traffic and Traffic Violations (Legalization of municipal road tax)			
Panama	Law 52 municipal code (1984, updates to Law 106 of 1973)	Own tax base to municipalities	Transfer of real estate tax
	Dirct election of municipal mayor	Adapt competences of mayor and municipal council	
	Constitucional reform gives grounds to State decentralisation (2004).		

Source: *State of the Region 1999 updated to 2005 by the author*

Institutional deficits that can affect decentralised cooperation

advanced sufficiently, as with regards to the update of the municipal codes in Panama that date back to 1973;⁷ in other cases, there appear to be remarkable gaps in the legislation, like the lack of decentralisation laws, which only exist in Guatemala, or laws of citizen participation, which only exist in Nicaragua, but not in the other countries (see Table 8).

Contradictions in the Central American legal framework stem from the lack of coordination between the new territorial legislation with the sectorial legislation of the traditional centralist State. In some cases new legislation is kept in force with old or new regulations that have not been revised or brought up to date in light of the new design of local and central competences. Thus, for example, legislation allocates the same competence to a central body and to a local body (for example, in Nicaragua certain competences in terms of energy and drinking water are allocated to central and local bodies). In other cases legislation is inadequate, as in the application of State hiring laws designed and adapted to the reality of central ministries, but which are applied also in local administrations but are in fact inapplicable, particularly for smaller municipalities with less resources.

There is a particularly relevant vacuum concerning the legislation on transparency and rendering of accounts for local governments, like the participatory budgeting that is only legislated in Nicaragua, mechanisms for the rendering of accounts to citizens, mechanisms for the organised transition and delivery of local administrations from the outgoing authorities to the incoming ones, and access to information on actions or business undertaken by municipalities.

Confusion and vacuums in legal ordinances enable the prevalence of an informal State over the formal State, as

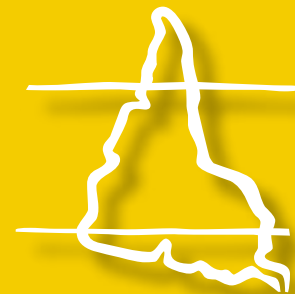
well as personal relations over institutional regulations, introducing an important sense of uncertainty into relationships with local bodies which is affecting all institutional relationships, including those with the partners of decentralised cooperation.

4.2. The system of competences and inter-institutional relations

The systems of competences of local, regional and central administrations are often ambiguous. This is particularly clear in the spheres of concurrent competences and of competences that are shared between public administrations, which usually leave a broad area of indefiniteness prone to contradictions and conflicts. This situation is emphasised in cases where four administrations are involved, as in the case of Panama with the central competences the competences of the indigenous districts, municipal competences and those of the towns; or as in Nicaragua with the central competences, the competences of autonomous regions, municipal competences and communal competences.

In view of the frequent political contradictions, these ambiguities help to make coordination and cooperation relations between public administrations remain at the lower levels, affecting public management in general. Such conflicts may affect decentralised cooperation due to the continuous erosion to which local administrations competing with other administrations are sometimes subject in order to undertake specific commitments and turn them into agreements.

⁷Law 106 of 8 October 1973. The recent 2004 constitutional reform sets forth relevant changes in the municipal regime as it establishes the decentralisation of the public function, the direct election of mayors and other reforms to which the new municipal legislation must adapt; this task is still pending.



The situation also affects the execution of programmes and projects when these involve the coordination of different public administrations or support from one administration to another in order to carry them out.

4.3. The administrative capacity of local governments

In Central America special attention has been paid to the remarkable administrative and technical weaknesses and to the deficiencies of all kinds of equipment in local administrations. Efforts to overcome such weaknesses, save for exceptions like Costa Rica, entail permanent efforts in staff education and training, the introduction of management and information systems, the handling of computing systems, and, in general, the ordered and systematic preparation of career civil servants.

Over the last few years major resources have been assigned to education and training, an effort which has, however, been thwarted by the lack of legislation concerning local administrative careers establishing merit as a criterion for the recruitment and promotion of administrative staff, regulations for their continuance and dismissal, and appropriate and competitive stimuli based on performance, particularly with regard to remuneration. Continuous staff rotation induced by changes in government or the lack of competitiveness of public administration wages compared to those of the private sector do not contribute to the existence of an efficient local public administration aimed at providing a service to the citizens.

The excessive influence of the political element on the administration, the lack of staff stability and the lack of stimuli for professional performance have been clear deficits of central and local administration in Central America. The outcome has been a public administration in which personal loy-

alty and political considerations have carried decisive weight. This has favoured the lack of professionalism in public management, low work productivity, poor attention to the citizen, corruption of all kinds and the lack of continuity in the production of administrative reports accompanying changes of government.

A considerable amount of the administrative and management deficiencies of local governments stem from the inexistence of properly trained technical staff to guarantee the effectiveness of expenditure, and, more generally, the effective management of public policies at municipal level. This is taken as an excuse by central governments to talk of the lack of capacity and training of local governments to take on new competences and the transfer of resources from the central level.

Therefore, it is considered necessary to have municipal administrative career laws passed in Central America, which will help to rectify the deficits identified in local administration in this field. Currently, only Nicaragua has passed a law on municipal administrative careers which will come into force in the middle of 2005, but which has clear restrictions for its full implementation due to the high financial costs involved. Once again, the logic of structural adjustment and the reduction of public administration costs imposed by the multilateral bodies is working against the logic of administrative efficiency and good government.

The effects of this limiting factor in terms of decentralised cooperation become clear in the discontinuity of the actions agreed involving changes in public administrations, in costs resulting from delays to actions and from re-training the technical counterparts of programmes and projects following changes of government and staff rotation for other reasons, among other things.

4.4. The financial capacity of local governments

In the case of Central American municipalities the fragile tax situation stands out, reflected in major restrictions to the decentralisation process by limiting the availability of financial resources to be redistributed by the central government to sub-national governments. The result is a model of decentralisation that transfers functions and responsibilities of the central government without the corresponding financial resources, leading to difficulties in the availability of project counterparts, in the provision of basic services, the deterioration in the quality of services to citizens, and permanent political tensions in the municipal sphere between the municipality and the central government. We have already pointed out how this deficit has a bearing on decentralised cooperation in several aspects, especially in the tendency towards reducing cooperation with short-term projects and mostly because in practice this deficit turns into an element of exclusion of the benefits of cooperation to small municipalities in those cases where this requirement is uniformly and inflexibly established for all municipalities, regardless of their differences.

5. Central American local administrations and decentralised cooperation: some recommendations

The Central American region has built up a wide and rich experience of decentralised cooperation since the 1980s. The most outstanding example of this is Nicaragua, where different modalities of this type of cooperation have been experienced, among which twinning is the most the most positive example. The expansion of this movement in Nicaragua in the 1980s is without compare throughout the world, with over two hundred twinning projects of

European and North American cities with Nicaraguan cities and municipalities, solidarity committees and social associations linked to local governments (Ortega Hegg and Maihold 1992). This movement is still quite vigorous and creative in Nicaragua and in other countries of the area such as El Salvador, testing, for example in the 1990s, new cooperation modalities involving cities of Eastern Europe with cities of the West and Nicaraguan cities.

Perhaps the most remarkable accomplishment of decentralised cooperation in Central America throughout those years was to show that this is the most appropriate and effective type of cooperation for development, for the fight against poverty and the for the issues of governance and social cohesion (given the substantial and most useful role that local governments can play in combating these problems).

However, in view of the characteristics taken on by decentralised cooperation in the 1980s in Central America as a mainly political, supportive and cultural movement, in terms of economic development it tended to focus on small works with small financial budgets, significant dispersion and little lasting impact (Ortega Hegg and Castro Merlo 1998). This does not mean that there were no significant exceptions and very rich examples of decentralised cooperation which succeeded in overcoming such deficiencies, but they only represent exceptions to the general tendency mentioned.

Changes in the Central American situation as a result of peace processes, development challenges and democratic transition in conditions of globalisation open new perspectives of cooperation. On the other hand, some important changes have taken place in the concept of decentralised cooperation since the 1990s, emphasising new aspects of this type of direct cooperation with local spaces, enriching it in content



and modalities.⁸ At present, decentralised cooperation accentuates a multidimensional, integral and sustainable concept of local development cooperation, which means that it harmonises the relationship with all its actors and is driven towards the creation of social capital. Consequently, without rejecting the transfer of economic resources and cultural exchanges, it searches for mutual enrichment through partnerships in order to engender capacities, for the exchange of experiences, the transfer of knowledge and appropriate technology, providing added value to the traditional financial element (Fernández de Losada 2004, Godínez Zúñiga 2004).

In view of the deficits – of context and internal – identified in this article and of the experience of decentralised cooperation practice in Central America, some recommendations to be considered for the design of programmes or the implementation of actions in this type of cooperation follow.

Unlike other contexts into which decentralised cooperation is beginning to make incursions, local institutions in Central America have gained rich experience in this type of cooperation. Mutual knowledge and experience accumulated with their European counterparts point to a highly favourable future scenario for decentralised cooperation in this region, so, despite the deficits mentioned, the possibilities for its successful implementation are higher. It is therefore recommended that this accumulated social capital is fostered.

The asymmetry that exists between European and Central American local administrations poses an important challenge for typically horizontal relationships in decentralised cooperation. On the European side, they may lead to the easy resort to the transfer of resources without added value or, on the contrary, to aim for symmetrical relationships in those aspects of cooperation where asymmetries cannot be ignored (such as in matters of economic resources); on

the Central American side, there may be a temptation to try to carry out the economic cooperation unilaterally, missing out on the enormous richness and longer-lasting impact that mutual enrichment and exchange represents. Horizontal capacity-building on these challenges and threats may help to overcome them successfully. It is therefore recommended that this element be taken into account so that it does not become a reductionist and impoverishing element of decentralised cooperation. But it is also recommended that cooperation relationships be included in local strategic plans, assessing future impacts and sustainability, in order to overcome the tendency towards an aid-based approach and short-term fire-fighting measures.

An element to be taken into account in every decentralised cooperation relationship is the great difference in capacities between local administrations themselves in Central America. Should this element be ignored, the consequence may be to continue strengthening the tendency towards associating with the biggest and most successful Central American local administrations, thus enlarging the gap between them and those that are smaller or have greater institutional deficits. This could suggest the need for flexible and imaginative designs of the modalities, conditions, requirements and priority support of cooperation relationships, adapting them to such differences. For example, in some cases decentralisation strategies in Central America are leading to the categorisation of municipalities and regions or departments according to their capacities, in order to set out systematic medium- and long-term

⁸For example, the positive impact that the 0.7% campaign – sponsored by the United Nations – had on these changes has been mentioned; it was aimed at ensuring that the public administrations of developed countries allocated 0.7% of their budgets to developing countries. The high points of this campaign happened at the end of the 1980s and the beginning of the 1990s (Fernández de Losada 2004).

support programmes according to different requirements. In this case, the purpose is to create the required conditions in municipalities and in other local government bodies so as to help make them capable of receiving new competences and managing them successfully. Such categorisations may equally serve as a reference for adapting the conditions, cooperation requirements and exchange topics between the associated administrations. This would help towards the more strategic consolidation of local institutional capacities in order to facilitate decentralisation processes.

Decentralised cooperation can play a substantial role in the institutional and political strengthening of local administrations. Based on the existing challenges and deficits of Central American local institutionality, and the ongoing changes in the conception, modalities and amounts of decentralised cooperation since the 1990s, it seems relevant to reevaluate the rich experience of cooperation relationships with Central America in light of such changes. In this regard it is recommended that the future route for decentralised cooperation goes beyond economic matters and diversifies into other strategic dimensions of direct cooperation, like the building of political and institutional capacities by means of processes of systematic training, technical assistance and consultancies, exchange of experiences, internships and support in equipment and technological modernisation, particularly IT equipment, emphasising and generalising exchanges in networks even further.⁹

Decentralised cooperation can also play a very active role in the promotion of democratisation and decentralisation processes in the area. Examples like the rapprochement of the key players in decentralisation and democratisation processes, such as the Central American Conference on Decentralisation of the State and Local Development (CONFE-DELCA)

or the Ibero-American Summits on Decentralisation and Local Development show the potential of what may be achieved in these spheres in the future.

The support of decentralised cooperation might be particularly relevant for the furtherance of participation processes and citizenship construction in order to consolidate and broaden the non-State public space, and to create other types of relationships of civil society with the State, the parties and the political system in general. The challenges of social cohesion in Central American societies are linked to this process, but so too is democratic governance, the decentralisation of the State and local development, as they call not only for strong and efficient democratic institutions but also for autonomous, enterprising local actors, conscious of their own power. This exchange deserves to be highlighted, given the resemblance of European multi-ethnic societies to Central American multi-ethnic societies. In both cases, both societies need to consider this element as well as gender diversity in the process of constructing citizenship.

The exchange of successful local development experiences might be useful for both Central American and European actors. The processes of the construction and development of social capital after situations of conflict in Central America have been extremely rich. The path of some European local administrations in the discovery of the local development dimension in the face of unemployment also represents an interesting

⁹ *The cooperation of the Provincial Councils of Barcelona, Extremadura and others supporting the creation of the Institute for Local Development in Central America (IDELCA), founded in Guatemala in 2005, with sub-offices in other countries of the area, seems to be oriented towards this more strategic and long-term direction. This institute was created to further participatory democracy and to contribute to political integration and the integral development of the Central American region from the municipal territories.*



experience which may enhance exchanges on this topic. Along the same line, different dimensions of phenomena like migration or its impact on local development issues, on social integration and on local government roles in these processes may be extremely mutually helpful, as they are global phenomena affecting all parties, although in different ways. Likewise, exchanges of experiences of strategic planning, processes of the proper handling of territories and experiences in the area of coordination and participation for development, represent issues of common interest for exchange.

A subject for exchange that is particularly important for Central America is the experience of the establishment of the European Union and the role of sub-national administrations throughout this process. In Central America there is a dynamic of integration that dates back to the 1970s and that has made certain advances. Although the initial trade and economy-based vision evolved into a more integral approach, the experience of the EU integration scheme is highly interesting for Central Americans as another type of reference for the constitution of supra-state entities. This subject has once again been included on the region's agenda, in view of the recent signature of free trade agreements with the United States in 2005, which will have very important effects on Central American integration and the territorial spaces of the region as a whole. In spite of this, the participation of local players in this process has been non-existent (the traditional actors in integration have not been interested in taking local actors into account, nor have local actors been interested in Central American integration). On the other hand, there are some cross-border cooperation experiences being developed in the region which are bringing local societies closer regardless of the countries' borders. Similar experiences are taking place in European regions which, despite their greater complexity, might be interesting for Central American local actors. This is why an exchange concerning such themes is so important.

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Marco Legal Municipal Centro-Americano

Table 9 –Central American municipal legal framework, 2004

Country	Autonomy	Treasury	Administration	Associativity
Costa Rica	Pursuant to the Constitution (170) municipalities are autonomous institutions. Vote of Constitutional Room 0545-1999 reinforces the concept of autonomy and clarifies doubts in such respect.	Pursuant to the Constitution (sections 170, 174, 175) an amount of at least 10% (ten per cent) of the ordinary income calculated for the corresponding financial year will be granted - from the ordinary budget - to all municipalities of the country . In addition, the latter will establish ordinary their budgets to become effective upon previous approval by the National Audit Office of the Republic.	The Constitution (169, 171, 172, 173) establishes that the administration of local interests and services of each province will be the responsibility of the municipal government, constituted by a deliberative body.	No section about municipal associacionism is required in the Constitution.
	The Municipal Code (4), provides for seven attributions: the issuance of autonomous regulations for organisation and service; setting of budgets and execution thereof; administration and provision of municipal public services; approval of taxes, prices and municipal contributions; draft of projects of municipal taxes tariffs; and to enter into pacts, agreements or contracts with national or foreign persons or entities necessary for the fulfilment of the functions thereof, .			
		The Municipal Code (62, 68) sets out that the municipality may dispose of its property through any kind of acts or contracts permitted by this Code and the Administrative Contracting Act, and in addition, it will set its pertinent budgets, will propose its taxes to the Legislative Assembly and will fix taxes and prices of municipal services.	The Municipal Code(12,13) provides that the municipal government shall be comprised of a deliberative body denominated Council, integrated by the authorities provided by law, a regidor and its corresponding substitute .	The Municipal Code (7, 9, 10) provides for the freedom to integrate federations, confederations or regional associations, whether by agreement or voluntarily. Title II of the Code refers to intermunicipal relations.
			It also sets forth the 19 powers of the Council, which include to: set the budgets, issue the corresponding regulations of the municipality, organise the provision of municipal services, enter into agreements, decide to hold plebiscites and approve the development plan, among others.	
El Salvador	Pursuant to the Constitution (Sections 203, 204) they are autonomous in the economic, technical and administrative areas. Furthermore, the elements that constitute the municipal autonomy are established, which include, among others: to create, modify and eliminate public taxes and contributions; to establish its income and expenditures budget; to act freely within the field of its jurisdiction and to elaborate its tax tariffs and reforms thereto, in order to propose them to the Legislative Assembly for them to be passed as law.	Pursuant to the Constitution (205, 206, 207) municipal funds cannot be centralised in the State General Fund, and shall only be used in municipal services and to the benefit thereof.	Article 202 sets out the requirements to become a mayor, an auditor or a councillor.	Pursuant to the Constitution (207), municipalities may integrate associations or enter into cooperative agreements between them.
		In addition it establishes the creation of a fund for economic and social development of municipalities. Municipal Boards shall be in charge of the administration of the municipalities' property and they shall be supervised by the Court of Audit of the Republic.		
	The Municipal Code (2, 3) sets out that the Municipality constitutes the primary Administrative Political Unit within the State organisation, established in a specific territory of its own, which has the autonomy of its own government. It also provides a group of competences regarding the autonomy thereof.		Article twenty four of the Municipal Code states that municipal government shall be exercised by a deliberative and regulatory Council integrated by a mayor, an auditor and a number of councillors as may be duly appointed.	In the Municipal Code (11, 14, 17, 18) the vision is more cooperative, as it establishes that Municipalities may create by themselves or by merger-decentralised entities, foundations, associations and companies of municipal services, and they may also constitute corporations for the provision of municipal services.
		The Municipality income consists of the proceeds of municipal taxes, charges and contributions, proceeds of pecuniary penalties or sanctions, interests resulting from any kind of municipal credit, proceeds of the administration of municipal public services, income derived from municipal autonomous institutions and commercial companies of which it is a part, dividends or profits attributable to it on account of shares held in companies, donations, contribution from the fund to economic and social development of the Republic, among other sources of municipal income.		
Guatemala	The Constitution (section 253) states that municipalities are autonomous institutions and that their functions include, among others, to appoint their own authorities; obtain and dispose of their resources, to carry out local public services and the territorial order of their jurisdictions and	The Constitution (255, 257, 260, 261) establishes that 10% of the national budget will be assigned to municipalities, of which at least 90% shall be devoted to health, education, infrastructure works and public services programmes. Any additional allotment from the Income of the General Budget of the Republic is prohibited. Furthermore, the goods, income,	The Constitution (258, 259) states that Mayors may not be taken to Court or arrested without prior declaration by the competent authority.	No section about municipal associacionism is required in the Constitution.
	the fulfilment of their own purposes.	voluntary donations and taxes are the exclusive property of the Municipality and shall enjoy the same guarantees and privileges of the State's property.		
Guatemala	The Municipal Code (3) establishes that the municipality, in the exercise of its autonomy, may designate its authorities and govern and administrate the interest thereof through such authorities, that it may provide local public services, territorial order of its jurisdiction, the economic strengthening and the issuance of ordinances and regulations, and, to these effects, it shall coordinate its policies with those of the State. In addition, it is stipulated that no law or legal regulation may contradict or distort the municipal autonomy.		Likewise, it stipulates that municipalities have the capacity to create police forces and courts of municipal matters..	The Municipal Code (10, 49, 50) stipulates that municipalities have the capacity to take part in associations, enter into agreements and contracts for the common development, and, besides, to associate for the creation of communities of municipalities.
		The Municipal Code (99, 100) mentions that the municipal treasury shall be constituted of the income assigned under the Constitution, taxes in favour of the municipalities, donations, common and patrimonial property, the proceeds of voluntary donations, loans, and income resulting from other legal sources.		

Guatemala			The Municipal Code (33, 35) provides for the competence of the municipalities to provide and manage public services in the jurisdiction thereof. They are conferred the power to grant licenses to natural persons or legal entities for the provision of municipal public services.	
			Moreover, it grants it the exclusivity of the decision and deliberation of the government and the administration of patrimony and interests thereof.	
Honduras	The Constitution (294) sets forth that departaments will be divided into autonomous municipalities, besides, it sets out under article 298 that to the extent they do not contradict the law, they shall remain independent.	The Constitution (299, 300, 301) stipulates that taxes and contributions imposed on income derived from investments made on the relevant municipality shall be assigned to the municipal treasury.	The Constitution (Sections 296, 297) grants it the autonomy to freely appoint its officers.	No section about municipal associationism is required in the Constitution.
	In the Municipalities Law (12) there is a mention to the fact that this autonomy is based on seven points.	In the Municipalities Law (68, 73, 74, 75, 84) there is a detailed description of the elements that constitute the municipal treasury, as the lands and other immovable assets of the domain of the Municipality, urban lands of the State transferred to the municipality, contributions of the State in favour thereof, loans, contributions (inheritances, legacies or donations) and other properties, rights, income or assets perceived thereby or corresponding thereto.	Article 25 of the Municipal Code stipulates the twenty powers of the Municipality, including the power to create, eliminate, modify and transfer administrative units, companies, foundations and associations; to approve the annual budget, issue regulations and municipal manuals, appoint officers, call for plebiscites, approve loans, among other functions.	The Municipalities Law (20) allows for the Municipalities (with the favourable vote of two thirds of the municipal corporation members) to integrate associations of any kind with other municipalities or national or foreign entities.
	Free election of authorities by direct and universal vote.			
	Free administration.	In addition, 5 types of taxes are assigned:		
	Power to obtain its own resources and to invest them to the benefit of the municipality.	1. Immovable assets.		
	Budgetary freedom.	2. Personal property.		
	Planning, organisation and administration of municipal services.	3. Industry, commerce and services.		
	Creation o its own administrative structure, according to its reality.	4. Resources extraction and exploitation..		
Other functions provided by Law.	5. Livestock;			
	The Municipality may also determine the application of taxes on account of municipal services, utilization of municipal property and administrative services.			
Nicaragua	The Constitution (177) establishes that municipalities enjoy political, administrative and financial autonomy, and it also provides for them to have jurisdiction in those matters affecting their socioeconomic development	No section about municipal treasury is required in the Constitution.	Article 178 of the Constitution sets out the requirements to become a mayor, and the grounds for a destitution of a mayor, deputy mayor or city councilor.	No section about municipal associationism is required in the Constitution.
	Second article of the Municipal Code states that the principle of autonomy is the right and effective capacity of municipalities to regulate and administer, under its own responsibility, and to the benefit of their people, the public issues provided for in the Constitution and by Law.	The Municipalities Law (42, 43, 45, 46, 47, 48, 51) stipulates that the income of municipalities may be fiscal, private, financial, transferred by the central government and of any other kind determined by Law.	The Municipalities Law (6, 10, 17, 18) establishes that Municipal Governments have jurisdiction in all matters related to their socioeconomic development and to the preservation of the environment and natural resources of their territorial district.	In the Municipalities Law (12) there is a mention to the fact that municipalities may voluntarily associate through regional associations.
	Furthermore, it establishes the principle of subsidiarity, reserving for the municipalities those functions that may be performed effectively by them.	Fiscal income may derive from municipal taxes, special charges and contributions, and they shall be governed by the applicable law.	The municipality government and administration correspond to a municipal deliberative, regulatory and administrative council.	municipalities may, voluntarily, constitute communities and other forms of municipal association with legal status.
		Municipal Governments may request and obtain, from the public or private banks, short and medium-term credits for the execution of works and for the provision and improvement of public services related to their jurisdictions.		
Panamá	The Constitution (232) stipulates that the municipality is the autonomous political organization of the community established in a district.	Pursuant to the Constitution (245, 246) the municipal taxes are those which do not apply outside the district, but the law may determine exceptions for specific taxes to be considered as municipal. In addition, it determines the following sources of municipal income:	The Constitution (233, 242, 243) establishes the type of organisation applicable to the municipal corporations, as well as the functions attached to the municipal council and the mayor. These functions include the creation and approval of their own budgets, the establishment of their own administrative structure, the subscription of agreements and contracts, the administration of municipal public services, among others.	In the Constitution (238) it is stated that, by popular initiative or the council's vote, two or more municipalities can merge into one or constitute an association, that municipalities of the same province may unify their regime, establishing a common treasury and fiscal administration.
		1. The proceeds of its areas or common lands and of its own property.		
	The Law of Municipal Regime, in its first article, tacitly copies the article 232 of the Constitution. Article 5 states that municipalities may contest every legislative or administrative act derived from state authorities if they consider it to be in violation of the municipal autonomy.	2. Taxes for the use of goods and services.	The Law of Municipal Regime (4, 5, 10) grants the municipalities full powers to acquire, vindicate, hold, administer, and charge municipal property for the purposes of executing and exploiting works.	The Law of Municipal Regime (140, 142) establishes that two or more municipalities or all municipalities of the same province, may associate to unify their regime, to constitute common public services or to exploit goods and services through an intermunicipal company.
		3. Duties on account of public shows.		
		4. Taxes on liquor sales.	Besides, it grants the power to contest every legislative or administrative act derived from national authorities when they deem it to be in violation of the municipal autonomy.	
		5. Duties (provided by law) from the extraction of sand, quarry stones, toasca stone, clay, coral, gravel and limestone.		
		6. Penalties imposed by the municipal authorities.		
		7. State subsidies or donations.		
		8. Duties from wood extraction and forests exploitation or felling.		
		9. Taxes on slaughter of livestock corresponding to the municipality of origin of the relevant animal.		
	The Law of Municipal Regime (69, 72, 74) establishes that the municipal patrimony consists of a set of properties, income, taxes, duties, actions and services pertaining to the Municipality, and, in addition, it establishes the integration of the municipal treasury.			

Source: Own elaboration based on the Constitutions and Municipal Codes of Costa Rica, el Salvador, Guatemala, Honduras, Nicaragua and Panama.



Governance and Institutional Strengthening

Governance, development and polycentrism: Towards the promotion of European decentralised cooperation

KEY WORDS

*Europe |
Development agendas |
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Polycentrism |
Decentralised cooperation |*

Decentralised cooperation has a rather marginal place in the European development agenda. Indeed, at a global level, Europe occupies a somewhat secondary place in the articulation and promotion of ideas (and narratives) concerning development. This article portrays three theories. Firstly, the promotion of decentralised cooperation cannot be conceived separately from that of the European cooperation. Secondly, the promotion of these objectives requires a renewed characterisation of the challenges faced in questions of development and cooperation. Thirdly, a reconsideration of social organisation based on the concept of polycentrism provides key elements for the articulation of new ideas, discourses and narratives concerning development and cooperation as well as for rethinking its challenges. Based on the resulting ideas we can directly relate the promotion of European cooperation to the enhancement of the status (and of the ambition) of decentralised cooperation and we also can connect them both to the construction of networks and strategic (horizontal and vertical, domestic and international) alliances intended to create “communities of action” with strong local components.

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1. Introduction

In the 1970s the growing discontent surrounding development strategies and co-operation policies based on the necessity and convenience of “centralised steering”, called into question the strategy of “placing all ‘development eggs’ in one basket” (Hyden and Court 2002: 4). Thus, the general disappointment about the performance of governments (and States) as central actors in development in different parts of the world opened up the opportunity to restructure (and to rethink) social organisation.

The development global agenda that emerged at this time, which was strongly influenced by this current of opinion, confirmed the supremacy of markets and advocated for structural reform policies capable of providing “appropriate” incentives for development.

The lack of results consistent with the sound promises of welfare made by the neoclassical economy seriously affected the continuity of the neoliberal agenda. In view of these circumstances, in the middle of the 1980s and under the leadership of the World Bank, the foundations of the current development agenda started to be laid.

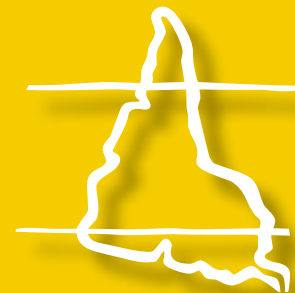
The new agenda has significant signs of continuity and rupture with respect to its predecessor. Both agendas reject the idea of “centralised steering of development” and consider the markets to be the driving force of development. Hence, they both give strategic priority to structural reforms. However, unlike the agenda that emerged in the 1970s, the new one supports the fruitlessness of viewing development through the lens of the dispute between States and markets, which encouraged debate between orthodox and heterodox economists for most of the 20th century. For the new agenda, both States and mar-

kets are necessary for development. Unlike its predecessor, the new agenda does not consider politics as an intrinsic obstacle to development either. According to this insight, politics (reformed and conveniently readjusted downwards) also appears as an immanent element of the solution to development problems. In short, the new agenda generalises the need for strong institutional reforms in the political and State sphere, and makes this central to the construction of a “good order” and “good government”, as they both are conceived as a sine qua non condition for the emergence and flourishing of certain dynamics that are favourable to development.

Towards the end of the 1980s, the European authorities took advantage of these ideas to reposition their own development cooperation policies focused on a set of old and new challenges: first, in order to continue towards the universalisation of their cooperation policies – see Hoebink (2004); second, to revitalise the “partnership” between the European Economic Community (later the EU) and the ACP countries (Africa, Caribbean and Pacific),¹ the group which received more European combined aid in terms of cooperation at that time; and third, to foster the transition of Eastern Europe to democracy and capitalism, after the fall of the Berlin Wall.

The Lomé IV Convention between the EEC and the ACP countries constitutes a double milestone in contemporary European development cooperation policy. The original agreement, signed in 1989, intro-

¹Up to the present time eight EEC (EU)-ACP agreements have been signed: Yaounde I (1963) (18 ACP countries); Yaounde II (1969) (21 ACP countries); Lomé I (1975) (45 ACP countries); Lomé II (1979) (57 ACP countries); Lomé III (1984) (66 ACP countries); Lomé IV (1990) (68 ACP countries); Lomé IV Revised (1995) (71 ACP countries); Cotonou (2000) (77 ACP countries).



duced the concept of decentralised cooperation for the first time.² In turn, the revision of the agreement, signed in 1995, allowed the adherence of Europe to the basic guidelines of the current global development agenda to be put into practice, which was conceptually anchored in the idea of good governance³ and operatively in the principle of conditionality of assistance.

The European commitment to decentralised cooperation pursued three goals: firstly, to eliminate the monopoly of states (central governments) as recipients of aid and to look for new forms of channelling development aid. Secondly, to expand the range of European actors involved in the execution of decentralised cooperation. Thirdly, to encourage “participatory development” in the Southern Hemisphere. This line of action sought to increase the actors who participated in the development process and to generate decentralised capacities intended to produce creative, diversified and coordinated solutions to the already existing problems. Decentralised cooperation, encouraged by the idea of forging “development partnerships”, sought to create new social bonds and new capacities through different domestic and international networks. It therefore expected to generate new dynamics that favoured development and poverty reduction, as well as the consolidation of democracy, the rule of law and the respect for human rights.

The immediate difficulties encountered upon implementing this policy (Bos-suyt 1995),⁴ at a critical time when a window of opportunity had also opened for the transformation of the former European socialist countries, finally convinced community leaders of the need to embrace and prioritise the agenda of political and institutional reforms originally conceived by the World Bank to combat the problems of sub-Saharan Africa. In 1991, Eu-

rope openly adopted this agenda.⁵ Since then, it has guided the main lines of action in terms of European development cooperation policies.⁶

Partly due to the world reality, the emerging ideas about development and the nature of the new agenda, and despite both its progressive adoption in the framework of relations between the EU and the developing countries of different parts of the world on the one hand and on the other the expansion of its programmes and the increasingly large number of European actors in-

²Decentralised cooperation “represents a new approach in cooperation relations that seeks to establish direct relationships with local representative bodies and to promote their own capacities to plan and carry out development initiatives with the direct participation of interested population groups, taking into account their interests and points of view about development” (European Commission 1992: 1).

³The increasing use of the term (good) governance has generated a demand for equivalent words in other languages. In the Spanish language, within the development circle, the different bodies have used different expressions to refer to (good) governance thus generating a real confusion about its actual meaning. The World Bank, for example, has referred to “governance” using the Spanish word “governabilidad” and the OECD opted to use “buena gestión pública” (good public management). The European Union has alternated between “buen gobierno” (good government) and “buena gestión pública” (good public management) but, since the European Commission released the document ‘European Governance, a White Paper’ in 2001, Europe has definitely chosen the word ‘governance’ (‘governanza’ in Spanish). This last option is the one proposed by the Royal Spanish Academy which conveys two meanings: “the action and effect of governing or being governed” and “the art or form of governing that seeks to achieve long-lasting economic, social and institutional development, promoting a healthy balance between the State, civil society and the market”. As we can see, these meanings do not fully match or otherwise exhaust the different meanings attributed to the English expression ‘governance’ on which the contemporary debate was structured, both in academic and policy-makers circles. In accordance with this situation, in the Spanish version of this article we will not use the term ‘governanza’ but the Anglo-Saxon expressions ‘governance’ and ‘good governance’ – see note 18, *infra*.

⁴LDifficulties were such that, upon the revision of Lomé IV Convention, decentralised cooperation was eliminated from the final agreement. Within the framework of relations with ACP countries, decentralised cooperation was re-established only in 2000, with the Cotonou Agreement.

volved, from then on decentralised cooperation gained a rather secondary status within a global agenda focused on major subjects and on the realisation of far-reaching reforms.⁷

Without disregarding the importance of this argument, this article maintains that the peripheral status of decentralised cooperation within the new global agenda is also part of a more complex state of affairs. In the first place, of the relatively marginal role so far played by Europe in the articulation and promotion of its own development ideas; and of its role of “major user” of a group of ideas originating from the debate surrounding development, which it adopted many times and for different (changing) strategic reasons as its own ideas, thus limiting its capacity to bear an influence on these issues within the reduced circle of actors who determine the global development agenda.⁸ Secondly, it is part of the prevalence of unilateralism or, in other words, of the clear lack of coordination between the different European actors involved in official development cooperation, from the local to the supra-state world. The difficulty in establishing an inclusive and Europeanising strategy, intended to create synergies between voluntary, public and private, centralised and decentralised capacities and resources has dramatically restricted the “horizons of possibilities” of European aid. As a result of this state of affairs, in terms of development cooperation, Europe is trapped in a narrative of social organisation structured around the concept of governance – understood as “good order” and “good government” – developed by the World Bank at the end of the 1980s, which is only partially amended by the anti-political bias of the neoliberal agenda. This vision hinders the possibility of conceiving and directing powerful lines of action regarding development cooperation, which, with the intention of creating, strengthening and articulating centralised and decentralised capacities, can promote the transformation of politics seeking to intensify its role as synergy facilitator, beyond the existing horizontal and vertical dividing lines.⁹

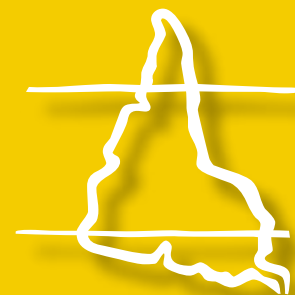
⁵On 29 June 1991 the European Council issued a declaration stating that respect for human rights, the rule of law and the existence of efficient political institutions that fulfil their obligations and enjoy democratic legitimacy are the basis for fair development. In November 1991, the European Council adopted a resolution on human rights, democracy and development. In item 5, the Council emphasised the importance of good governance for development: while sovereign states have the right to constitute their own administrative structures and to establish their own constitutional arrangements, fair development can be achieved in an effective and sustainable manner only if the following general principles are observed: sensitive social and economic policies, democratic decision-making processes, the appropriate transparency and financial accountability of governments, the creation of a market-friendly environment, measures to combat corruption, respect for the rule of law, for human rights and for freedom of speech and of the press.” This declaration was ratified by the European Council on 18 November 1992.

⁶In Articles 7 to 10 of European Council Resolution No.482/9, the use of decentralised cooperation schemes for overseas countries and territories was approved. In Article 3 of European Council Regulation No. 443/92 the extension of decentralised cooperation to financial, technical and economic cooperation with developing countries in Latin America and Asia was approved. Lastly, in 1992, the budgetary authority created a permanent budgetary line intended to promote this approach in all developing countries. Until 1995 this line was B7-5077. Since then has been: B7-6430.

⁷A pesar del paso del tiempo esta sigue siendo la realidad sobre todDespite the passing of time this is still true, particularly at a time when the European Union wishes to become a global actor. Recent communications of the European Commission, COM(2005) 311 Final ‘Development policies of the European Union, the European Consensus’, and the COM(2005) 636 Final: ‘A stronger partnership between the European Union and Latin America’ are clear testimonies of this.

⁸“Even though the European Union is a major contributor to official development assistance, it has remained a political dwarf in the global aid regime. The development agenda continues to be set by the international financial institutions.” (Santiso 2002: 108).

⁹EThat was the spirit of the ‘White Paper on European Governance’. Dissociation between internal and foreign (European) policies could not be more striking.



The purpose of this article is to modestly contribute to changing the current state of affairs, for which a political decision is crucial – although not sufficient in itself. Attaining this objective also requires firstly a better understanding of where we are and how we have arrived at this situation; and secondly, conceptual innovation is required regarding how social organisation is viewed, above all – though not exclusively – in the current narrative of development. In particular, this article proposes a view of social organisation mainly focused on the idea of “polycentrism”, and connects it to the debate on development and cooperation. Finally, as a conclusion, the emerging ideas may be an appropriate instrument to promote reflections on increasing the coordination between the European actors involved in official development assistance, improving the synergy and coherence between the internal and external agenda of the EU, in order to intensify the European influence on development cooperation,¹⁰ and to improve the status of decentralised cooperation and increase its ambitions.

2. A look at the global development agenda

The global development agenda stems from a political process in which a group of actors take part, of which only a relatively small number is usually capable of generating and mobilising the decisive resources necessary to have an influence on the terms of reference.¹¹ The construction of the global development agenda is a process that occurs sporadically.¹² It takes place in a time in history determined by the unique confluence of inputs from the real world and from the universe of ideas. Among the latter, the dominant way of conceiving social organisation, the postulates of the current paradigm of development¹³ and the percep-

tions of the influential actors within the circle of donors on the actual capacities of the different “generations of public policies” (Vries 2002: 600) to face up to the issues considered relevant by such group of people,¹⁴ stand out. Concurrently, the development global agenda constitutes, for a period of time undetermined beforehand, the most important frame of reference to define the principal lines of action to face a set of “privileged” problems.¹⁵

The existing paradigm of development is based on a double disappointment. On the one hand, a generalised disappointment about the performance of governments (states) as central actors of development in different parts of the world; and on the other, disappointment with the neoclassical-inspired neoliberal alternative. It therefore underlines the futility of considering that development is in line with the (meta) narratives of social organisation that link the generation of welfare to the unconditional primacy of “one” institutional form (hierarchies or markets).¹⁶

According to the new paradigm of development, states (that work) are as essential as markets (that work). Motivated by the necessary “reconciliation” between states and markets, the current global agenda is based

¹⁰As recognised by the Commission in COM (2005) 311 final, “Coherence and synergy between the two dimensions – internal and external – are essential prerequisites for advancing the EU’s main agenda” (Ibid. 4).

¹¹Since the concept of development was adapted for its international use in the late 1940s and early 1950s, the visions of the dominant states and the institutions created in the Bretton the Woods Agreement have been key elements in the debate and agenda concerning these matters (Hyden and Court 2002: 1).

¹²Except for the current one, the validity of previous international agendas for development cooperation was approximately one decade (Hyden and Court 2002).

¹³The relevance of the perception of social organisation and the paradigm of development is not strictly equivalent, as the first one is decisive for the construction of the other.

on a vision that is (more) complex of the requirements of development (and the dynamics leading to it). Without prejudice to its most innovative aspects, this article holds that, due to the strong signs of continuity with its neo-liberal predecessor, the way in which it conceives social organisation is only useful in a limited way for dealing with such complex dynamics as well as maximising and unleashing its potential.

3. The decline of the metanarrative of hierarchy and its use in terms of development

Since the 1970s, hierarchies were subjected to crossfire. Firstly, the conceptual basis underlying a way of viewing social organisation based on the celebration of the hierarchical and centralised direction by politics (and the State), collapsed within academic circles. Secondly, the political experiences of the real world, inspired in one way or the other by what I call the “hierarchical creed” went through a critical phase, opening an insurmountable rift between the promises of metanarratives linking the State and society, which were structured around the idea of a convenient centralised and hierarchical regulation of societal life, and the perceptions of

politically relevant citizens and actors of the pros and cons of a model of collective functioning inspired by this idea. Let’s review these important developments.

First, in the 1970s the conceptual basis underlying the way of perceiving the social organisation based on the celebration of hierarchical and centralised steering by the political (and the State), collapsed within academic circles. This set of ideas stems from the historical evolution of the concept of government. The word “government” derives from the Latin *gubernatio* and this from the Greek *kybern*.¹⁷ Originally, the expression *kybern* was used to refer to government in the strict sense (“the government”), as well as in the lax sense (for example the government of a ship, of the soul, etc.) Historically, the end of feudal institutional order, the emergence of the absolutist states and the reflections about these processes by important thinkers who supported what Hayek (1967) called the constructivist rationalism, Hobbes among others, opened a path to the reformulation of the meaning of *kybern*.

Political-institutional centralisation, the expansion of the spheres controlled by the State in a given territory, and the reorganisation of all regulatory orders from above, “including those of religion, property

¹⁴From the concept of the ‘generation of public policies’ by Michiel S. de Vries (2002). For this analyst, (Vries 2002: 600), a ‘generation of public policies’ is characterised by the goals pursued, the use of particular instruments to carry them out and by the dominance certain actors have on the different processes involved.

¹⁵As in the case of a “generation of public policies”, each global development agenda centres its attention on an exclusive collection of problems.

¹⁶A meta-narrative is a discursive construction of reality (which it is simultaneously possible and desirable to construct), sustained by resources of power which are intended to create, organise and sustain a set of images, perceptions, narrations and visions of the world we live in. Meta-nar-

ratives are key political instruments to try to (re-)organise collective life in accordance with the characteristics of the institutions that sustain them, and to deliberately construct images of how the world around us ‘actually’ functions and the arguments evidencing why it is good to be as it is. Metanarratives take into account the expectations of welfare and happiness of the people while they encourage them to adapt their actions to the coordinates of the world they live in. As time goes by, they become a major socialising instrument that ‘facilitates’ the comprehension of the key elements of the world in which we live.

¹⁷The root *kybern* is actually the base on which a group of related words were constructed: government, govern, governance, governor.



and civil rights” (Wolfe 1999: 1), smoothed the way for the emergence of the modern state system and for the idea of sovereignty associated with it (Murphy 1996: 82). These developments were crucial for the consolidation of the idea of the modern state as “an internally and externally sovereign Leviathan” (Messner 1997), a source of unique domination vested with the legitimate monopoly of constraint. The consolidation of this image affected the way in which the phenomenon of *kybern* was conceived. The idea of “co-existing” governments, that is, of *kybern*, in a strict and a lax sense, started weakening and the idea of the existence of “a” government (*kybern* in the strict sense), began to gain force. In this process, “the” government was increasingly identified with a single, indivisible and hierarchical “centre”, confined to the sphere of politics and detached from society, and provided with capacities to adapt the performance of the latter “from above”. Politics, however, started emerging as a sphere of activity which, in fact, occupied the place of *primus inter pares*, vested with the necessary capacities to generate order and to direct society “from above”.

With the passing of time, this way of perceiving social organisation became an important frame of reference, both for political experiences in the real world and for new developments in the universe of ideas, which ended up constituting a real “hierarchical creed”. As a result, firstly, the State is a rational and unified actor which constitutes the impregnable “centre” of collective life; secondly, the hierarchical command – from above/below – is the exclusive modality of coordination within the public sector; besides, this mode of coordination is enough to permanently align those in charge of executing the power coming from above with the apex of the power; thirdly, given that society

has a subordinated place if compared to the State, the latter may create – through hierarchy – a group of coordinates “from above” and force societal actors to adapt (unilaterally or by negotiation) to them, in order to give way to a series of outcomes that will result in public and private benefits which would not otherwise be available; fourthly, public policies play a key role in the structuring of organisational fields which are crucial for the creation of specific interaction patterns between specific groups of actors. These appear to be necessary to produce the results expected by the power, the legitimacy of which lies in outputs; fifthly, as a consequence of these ideas, it was deemed that it was not too complicated to execute the will of the power once the decisions have already been made.

The “hierarchical creed”, finishing line of a way of perceiving social organisation as anchored in the hegemonic vision of the *kybern* phenomenon, is the starting point of the contemporary discussion on governance. Indeed, the growing historical relevance of hierarchies (real and metanarrative) was decisive in generating, in a highly contingent way, a means of approximation to the phenomenon of governance that combines all of the possible principal meanings provided by the *Oxford English Dictionary*:¹⁸ a (particular) way of governing (steering) by which the government, considered as a benevolent actor – good government – plays a crucial

¹⁸According to *Oxford English Dictionary* (1989) “governance” means: “1. The action or manner of governing, the fact that (a person) governs...good order. 2. The office, function or power to govern, authority or permission to govern, the command (of a group of men, of a ship)... 3. The way in which something is governed or regulated...4. Life style”. This definition clarifies that the word “governance” may be simultaneously related to expressions like ‘govern’ and ‘government’ or, alternatively, to any of them.

role in the production and reproduction of a specific lifestyle and of a good order through authoritarian and rational public decisions intended to define the area of public issues and to regulate it through administration and power with the alleged purpose of expanding the “potential horizons of collective possibilities”.

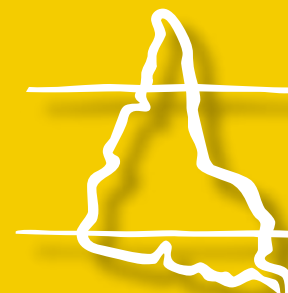
In the decade of the 1970s, each and every aspect of the “hierarchical creed” started to be greatly questioned in academic circles, particularly in Europe. Firstly, the idea of “a” centre (of its existence and desirability) was attacked by the literature of policy networks. Secondly, the vision of the State as a unified actor fell into the hands of the inter-organisational analysis applied to public policies. This perspective also showed that hierarchy was not the only coordination mechanism within the state, nor necessarily the most effective. On the other hand, inter-organisational analysis revealed the existence of important horizontal dynamics lying “in the shadow of the hierarchies”. Thirdly, the “perfect administration model” was no longer the reference model for the study of public administration. Fourthly, given the failure in achieving the expected results through public policies, the vision of them which disregarded the world of institutions and societal actors as subjects and not mere objects, and which drafted the process incorrectly (as a clear and progressive sequence of stages) experienced a crisis. Similarly, the idea that considered that carrying out the will of the power represented no major problem once decisions had already been made was no longer credible.

Consequently, a directing “generation of public policies” adopted by a huge number of (developed and non-developed) countries as from the 1930s, with the in-

tention of trying to expand their respective “collective horizons of possibilities” based on the metanarrative formula of hierarchies placed at the centre of the co-generation (and distribution) of welfare, also entered a crisis from the 1970s onwards.

The success of Keynesianism at confronting the crisis of the 1930s and its promises of welfare for everyone not only had a very positive effect on the perceptions of influential actors in the developed countries. It also had a significant effect on the discussion about development. Indeed, the success of the Marshall Plan for the reconstruction of Europe, the first important transfer of public capital to accelerate the progress of development, had a strong impact on the intellectual architects of the first decade of thoughts on development (1950s-60s). It served to convince the economists about the advisability of applying Keynesian ideas worldwide and of founding a disciplinary branch completely devoted to development issues. This disciplinary branch, called development economics, connected underdevelopment to the incapacity of “actually existing” markets to fulfil their obligations regarding the welfare attributed to them by neoclassical economists. Thus, they concluded that “centralised steering” was necessary and advisable in order to boost development processes. Likewise, and also in the developing world, the State tended to achieve a greater prominence and the economy and the society were inclined to subordinate themselves to politics.

However, since the 1970s the serious crises that broke out in diverse parts of the planet showed that the “horizons of possibilities” of politics – a forum for social action that was overburdened, overextended and increasingly penetrated with



the passing of time – had become visibly restricted.¹⁹ In fact, in the real world, these crises acted as catalysts for a series of processes that uncovered the increasing inability of politics to get the group of societal actors considered relevant by the ruling power to coordinate their strategies and decide on their course of action, observing the general parameters and objectives established therein, in the name of the generation of welfare for all. These crises ended up opening an insurmountable breach between the metanarrative promises, structured around the idea that a centralised and hierarchical regulation of societal life is advisable, and the perceptions of politically relevant citizens and actors of the pros and cons of a way of collective performance inspired by this idea. The loss of government capacity (or its increasing irrelevance), together with the reduction of the threshold of societal tolerance with respect to some forms of collective operation regarded as increasingly dysfunctional for the collective interest, gave grounds to build (and use politically) discursive constructions concerning the crisis (its reasons, nature and “actual” magnitude) in which “political coordination” and the phenomena associated with it were held responsible of the prevailing situation.²⁰ In this scenario, metanarratives dominant up to then lost their political effectiveness. As a result, their continuity as a focal point and organisational core of societal life was seriously damaged and, as

¹⁹The academic discussion on sub-Saharan Africa clearly illustrates some difficulties encountered by centralised direction schemes. In those societies marked by the ‘affection economy’, beyond appearances the real steering capacity of politics proved to be very limited and the effect of public interventions very marginal. Within a context with such characteristics, Jackson and Rosberg (1982) concluded that the notion of governance seen as the art of steering a boat (the society) towards a specific destiny, was lacking sense.

ever, its fate was tied to the vicissitudes of the political struggle. It was in this scenario that a window of opportunity was opened for restructuring (and rethinking) social organisation. Naturally, discussion about development echoed this new state of opinion as well as the new climate of ideas, and became a vehicle for the re-foundation of the parameters on which governance was based in the Southern Hemisphere.

4. The rise and fall of the neoliberal offensive

From the 1970s, the most resonant project of social organisation restructuring (North and South) was led by radicalised right-wing coalitions. Forged in difficult situations, these coalitions characterised the crisis as terminal and posed the need for a “decisive intervention” to face up to this.²¹ The idea was to recreate the status quo “from above”, (really and metanarratively),²² situating the market at the very core of collective life, creating – through structural reforms – a series of dynamics that prevent, as far as possible, the political power from once again exercising a theoretically unrestricted and highly discretionary power over large segments of society, relying on the then discredited “metanarrative of hierarchies”. In countries in which they gained power (democratically, for example in Great Britain in 1979, and *manu militari*, for ex-

²⁰Norbert Lechner (1997: 8) characterised political coordination as a form of social coordination: “(i) centralised: the State is the sole reactor core or, in other words, the apex of the societal pyramid from which the set of societal processes is ordered; (ii) hierarchical: decisions are made and communicated by the legitimate political or administrative authorities through the legal procedures established, (iii) public: political coordination deals with citizenship (as a basis and target) and its exercise in the public sphere; (iv) deliberate: coordination responds to previously determined purposes and criteria”.

ample in Chile in 1973 and in Argentina in 1976), these coalitions made intensive use of the resources created by the very socio-political matrix they repudiated, as well as the hierarchies, and promoted – centrally and “from above” – a profound reorganisation of the institutional architecture and collective functioning of such societies. In those ideologically intense experiences the market appeared as an instrument capable of “liberating” the economic (and social) sphere from politics, and of reweighing its ambitions, thus deposing it from its role of *primus inter pares*, radically reducing its legitimate field of action and dramatically limiting State re-

²¹“For a particular climate to be capable of generating the opportunity for decisive intervention, it must be perceived as possible (and perhaps necessary). In particular, this perception will be shared by those actors who are capable of making a decisive intervention according to the relevant diagnosis... Crises are constituted in and through narratives. Those narratives must consider the contradictions and failures of the system as symptomatic of a more general crisis” (Hay 1996: 254).

²²The metanarrative of the market links the generation of welfare to the existence, predominance and correct working of the market. This metanarrative presents a world that is diametrically opposed to the one it intends to replace. Like political coordination (see note 19, above), although in opposition to it, social coordination through the market was presented as a possible model for organisation and societal functioning also exclusively anchored in ‘a’ mechanism of social coordination. Unlike its rival, the model of coordination through the market is: “(i) decentralised: based on the assumption that the differentiation of society represents the elimination not of only one centre but of all centres; (ii) private, coordination no longer refers to citizenship and therefore to the notion of common good, but to relations between individuals as private owners; (iii) horizontal: the weakening of hierarchical structure is radicalised to the extent of denying the existence of any relation of domination and its place is taken by a succession of agreements between peers concerning equivalent exchanges; (iv) non deliberate: as the market is considered the paradigm of the spontaneous balance of interests, social coordination is seen as the automatic and non deliberate result of social interaction” (Lechner 1997: 10).

sources to be used unrestrictedly.²³ In short, the structural reforms constituted operations of institutional engineering intended to disrupt the core that facilitated hierarchical direction, that is the symbiosis existing between politics and the State. More generally, the market friendly reforms sought to end a long series of mergers (including spheres of social action, networks,²⁴ actors, resources, logics of collective action, etc.) generated by way of a collective performance created under the influence of dirigisme – see Feldman (2006). The first stretch of the way to go required the separation and individualisation of what was merged in order

²³“For neoliberals, the world of politics is inhabited by self-interested bureaucrats and politicians with restricted capacities that are under the influence of interest groups. In this vision, politics opens a door for sectional interests to ‘distort’ the ‘rationality’ of the market system. To these effects, it is necessary to restrict the scope of the State (through deregulation and privatisation) and reduce the margin of discretionary policies in the few areas in which the State is allowed to operate” (Chang 2001: 11). However, the reduction of the legitimate sphere of politics that neoliberal depoliticising proposals will create just leads to the lessening of the already limited political influence of the silent majority to modify the results of the market, thus reducing democratic control” (Ibid. 13).

²⁴A network is a mechanism of social coordination that usually operates in the shadow of the metanarrative of hierarchy, the existence of and effects of which were systematically ignored by it. In some cases of ‘centrally steered societies’, networks spread and expanded over the dividing line between the public and the private, first, as a result of the State colonisation of society and then as a consequence of the societal colonisation of State. In this kind of context, the networks had a double role: on the one hand, they supported operation, reinforcing the effectiveness of and therefore helping to preserve the hierarchies, and on the other hand, they undermined them. For neoliberals, networks between public and private actors that channelled resources in a decentralised way and that broke the unit of action of the State, were part of the problem to be solved. Those in favour of hierarchies chose to ignore them (at least metanarratively). Neoliberals, on the other hand, repudiated them without further ado.



to force the group of social, economic and political actors to stop “looking towards” “the centre”. The market also appeared to be a mechanism for social coordination that was ideal for generating a different type of social order and collective function, based on a decentralised logic that promised to create the proper State and societal conditions in which to forge interrelation patterns capable of generating the significant expansion of the horizons of individual and collective possibilities, in addition to greater governance.²⁵

An order based on the market is not endogenously nor spontaneously generated. Its introduction requires those who manage the highest resources of power to use them both to destroy the basic pillars on which the previous order was based and to create the new basis for a new order. In relation to this, the “centre” itself, its morphology and performance must be substantially recreated. On the other hand, it is essential that the “centre” lead the group of politically relevant actors to adapt themselves – whether through negotiation or unilaterally, as the case may be – to the new coordinates it seeks to introduce through a new generation of public policies.

In the early 1980s, the climate of generalised crisis experienced mostly in different parts of the Southern Hemisphere, together with the discrediting of a whole generation of strongly interventionist policies and the emergence of a new consensus about a Decalogue of reforms necessary to remove the obstacles hampering development, opened the possibility for the international financial bodies to intensively use the so-called conditionality of assistance and to impose an agenda of structural reforms on the governments of countries with problems intended to give priority to market and to

forge a “correct” structure of relative prices (i.e. to get the prices right). Likewise, the introduction of a new generation of pro-trade public policies which are capable of creating “the correct incentives”, became the leitmotif of the third global development agenda. From 1980 to 1983, the International Monetary Fund was the agency that led the initiative for the design and implementation of adjustment policies and structural reforms in the developing world. Yet, the absence of results consistent with the strong promises of the neoliberal agenda²⁶ and the neoclassical economy opened up new possibilities to rethink the development agenda in the 1980s. Within this framework, the World Bank acted as a catalyst for a series of its own and other initiatives that, based on a more complex diagnosis than the previous one, proposed the expansion of the scope of reforms intended to create suitable conditions for development.

5. The current global development agenda: a new metanarrative is born

The report *Sub-Saharan Africa. From Crisis to Sustainable Growth. A Long Term Perspective Study*, published in 1989 by the World Bank, is the founding document of the current global development agenda. In this document, in parallel with “the call for a development strategy centred on the individual

²⁵“The neoliberal viewpoint considers the social order as a self-organised and self-regulated order. Consequently, instead of counterbalancing the centrifugal trends of a differentiated society, it seeks to eliminate every political interference that may distort the ‘market laws’ which were conceived as a political mechanism to achieve balance” (Lechner 1997: 10).

²⁶“In 1983, the directors and management of the Fund, as well as the African critics themselves, acknowledged that the Fund’s “model” had failed in Africa (Lancaster 1989: 104).

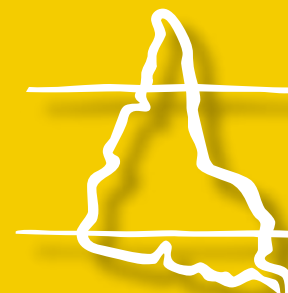
made by the ECA and UNICEF” (World Bank 1989: xii), the World Bank released its new diagnosis of the group of problems to be confronted. Like the third global agenda, the fourth holds that the “role” and “place” of the State have to be reduced and that “dirigisme” must be dismantled. Likewise, it states that the expansion and deepening of markets and the adoption of macroeconomic policies addressing further growth are necessary to achieve development. As a new element, the founding document of the new global agenda also expressed that the efficiency of the public sector and the political institutions and governance are key elements for achieving development.²⁷

The introduction of the theme of governance as a relevant aspect in the discussion of development is primarily due to the pressing situation in Africa and to the academic discussion about it that took place in the 1980s. To “Africanists” we owe, first, a strong criticism of the idea of governance as hierarchical steering in societies in which the organisation and the way of functioning of the public sphere not only fail to match the prevailing canons in the developed countries but also endogenously generate various phenomena and structures that do not favour development, as they prevent generalised “productive reciprocities” from taking place (Hyden 1988). Secondly, we owe an alternative notion of governance to them that has become crucial for the conceptual machinery necessary for thinking about the solutions required to improve the existing state of affairs. In an article

²⁷“Africa not only needs less government but also better government – governments that concentrate their efforts on helping other governments to be productive rather than on direct interventions” (World Bank 1989: 5). This captures the spirit of the new agenda and its combination of continuity and rupture very well.

published in 1992, Goran Hyden stated that governance comprises both “meta-type” activities, that is of a constitutional scope, which lead to the establishment of rules of the game (or of a system) in the public sphere and the management of structures (or regulatory frameworks) within the existing system focused on increasing its legitimacy”. As evidenced by the African experience, the nature of the system established in the public sphere as well as the management of structures (or regulatory frameworks) within it, are important, as they slowed down development in the region. That is why governance – or the meta-type activities created to increase its legitimacy – is a key factor for boosting development, as it involves the transformation of politics towards a direction that is more favourable to the generation of generalised “productive reciprocities”. Therefore, it is thanks to these academics that we have the notion of governance, which appears, for the first time, disconnected from particular institutional forms (for example hierarchies) as part of an intellectual proposal directed towards the improvement and promotion of politics (i.e. getting politics right,) as it understands that it is essential for the creation of environments that promote association, innovation and creativity as a formula for building capacities (centralised and decentralised) in order to confront the changing challenges.

In addition, the introduction of governance as a relevant theme on the current development agenda and its conceptualisation is primarily due to the World Bank. It defined governance for the first time in 1989, as “the way in which political power is exercised in the management of the affairs of a nation” (World Bank 1989: 60). With the background of the African discussion, the World Bank held that the importance of governance lies



in the fact that it may facilitate or hinder development.²⁸ According to the World Bank (1989: xii):

“The failure of public institutions has been at the root of poor economic performance”. “A governance crisis underlies the long list of development problems in Africa... Due to the lack of counter powers, public agents have pursued their own interests without the concern of having to account for them. Thus, instead of requiring the all-powerful State to be responsible for its systematic failures, individuals have constructed their own networks of influence. In this way, politics became personalised and clientelism essential as a means of maintaining power. Leaders undertake broad and discretionary authority and lose legitimacy. Information is controlled, and voluntary associations are co-opted or dissolved. [If we also consider “the unpredictability of policies, the uncertainty of their interpretations and application (p. 232) it is clear that], in such an environment, a dynamic economy is not feasible” (pp. 60-1).

The strong centralisation of power, the lack of counter powers (institutional or factual) with respect to hierarchies, as well as their discretionary and predatory power, together with the proliferation of networks established on the basis of clientelistic formulae, gave free rein to State and non-State agents to aim their actions at the search for and collection of income for their particular benefit, to the detriment of the collective interest. A “bad polity” and “bad politics” led to “bad policies” and to a “bad economy”, in other words, to a “bad order” in all respects.

The third global development agenda advocated the need for structural reforms in the name of enabling the emergence of policies that provide the “appropriate” incentives as well as a “correct” structure of

relative prices. The fourth agenda reiterates the need to construct and deepen the markets, as the generation of welfare depends on this. Likewise, it states that a market economy cannot flourish within a “bad order”. It is imperative to forge a “good” order, leaving the unproductive one behind. The fourth agenda takes over from the third. However, considering the diagnosis, the magnitude of the tasks to be dealt with easily surpasses those defined by its predecessor.

From the perspective of functionalist logic, guided by the generation of “spillovers”, the new agenda holds that structural reforms not only have an effect in themselves, but are also important for the creation of social demand regarding other related reforms. Particularly, in parallel with the academic diagnosis (and influenced by it – see Williams and Young (1994: esp. 91), the World Bank committed itself to the idea that market reforms create social demand for the need to renew politics, a task that “calls for a systematic effort to construct a pluralist institutional structure, the determination to respect the rule of law, and the vigorous protection of the freedom of press and human rights” (World Bank 1989: 61), as this is the key to a new collective scenario.²⁹ The renewal of politics will allow for, and will simultaneously require, the improvement of government capabilities

²⁸“Structural adjustment programmes typically comprise a variety of economic, monetary, fiscal, commercial, regulatory and management reforms of the public sector. These reform programmes are based on the assumption that, if enough economic incentives are provided to producers, they will expand their production, invest in new productive activities and constitute the driving force for sustainable economic growth” (Lancaster 1993: 9). However, this virtuous circle did not materialise as expected. The World Bank dealt with the discrepancy between the expected and the achieved, pointing out the existence of a set of factors of a political nature that discourage private investment.

and quality (in a broad sense), as well as the increased efficiency of public services.

In short, structural reforms will open a new agenda of reforms intended to improve the way in which political hierarchies manage the matters of a nation.³⁰

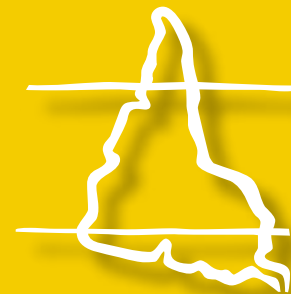
The new development agenda is inspired by the emergence of a “good order”.³¹ A “good order”, in turn, presupposes good governance, that is to say the “formulation of policies in a predictable, open and informed way (that is, a transparent process); a bureaucracy imbued with a professional ethos; an executive arm which is responsible for its actions; and a civil society that participates in public issues; and all of them acting under the rule of law” (World Bank 1994: vii); and a “good government”.³² For the World Bank this is a synonym for effective hierarchies serving the collective, controlled from the side and from below, as well as a guarantee of effective markets. Within a general context structurally marked by the “separation” between societies, (minimalist) States and economies which is deliberately prompted by neoliberal reform and by the “depoliticising” “renewal” of

²⁹“The efforts to create an enabling environment... will have been in vain if the political context is not favourable” (World Bank 1989: 192). The World Bank proposal is consistent with the arguments presented by Hyden about the need to overcome the structural restrictions that prevent productive reciprocities intended to expand ‘the opportunities for people to get involved in new productive reciprocities’ from being carried out (Hyden 1988: 43). However, Ibrahim Shihata (1991: 54), the World Bank General Counsel at that time, tried to make it clear that the World Bank was actually seeking to create an enabling business environment.

³⁰Shihata (1991: 87) cites Wolfgang Friedmann (1967), who states that “a market economy and a free society impose on the legal system a strong demand for operational certainty regarding those legal aspects regulating the important day-to-day components of companies and businesses”.

³¹In the decade of the 1980s, the World Bank expanded its transaction lines and established loans for structural adjustment. As a result of this expansion, the Bank introduced clauses concerning the conditionality of aid. “Conditionality evolved from macroeconomic measures to detailed reforms affecting public administration. Typically, the progression was to reduce the size of government in productive sectors and its control over the economy to issues included in the scope of governance. (Shihata 1991: 59). In 1990, the Bank General Counsel issued a legal report on whether these kinds of interventions were in violation of the Articles of the Agreement or not. This Report became the cornerstone on which different lines of action of the Bank regarding these matters were constructed. “The key to determining the aspects of ‘governance’ relevant for the Bank’s work and which are consistent with its mandate are found in a contemporary English definition of this term. This definition captures precisely where the World Bank is pointing to. This meaning is ‘good order’ (Ibid. 85)”. Certain comments must be made. Firstly, the World Bank does not clarify the reasons for that particular meaning to be the most adequate concerning development matters, despite the fact that it contributes to generating a positive climate for investment and favours the efficient use of resources. Secondly, the expression ‘good order’ has always implied a ‘good government’ and this, at least, implies effective hierarchies. The World Bank proposes, though not explicitly, a new meaning for the ideas of ‘good order’ and ‘good government’ and redefines them as being part of a minimalist State, of a separation induced between State and society and of depoliticised politics. Thirdly, if governance is equivalent to good order, for this way of thinking, governance and good governance are thus equivalent.

³²The group of operations described in the above note also enables the World Bank to make the definition of ‘good government’, though not explicitly. A ‘good government’ is that which operates on the basis of abstract rules and rules of institutions which guarantee the proper application thereof and that, more generally, carries out good governance, that is, the good management of public affairs, with the purpose of creating an “environment that facilitates business” (Shihata 1991: 59) as these are the driving force for development, understood as the way of conceiving economic growth. Mick Moore (1993: 39) also related the conception of governance proposed by the World Bank with the objective of influencing what should be understood by a “good government”. In his words, “one can understand Governance and Development (World Bank 1992) as a collection of signals that aim to influence the thoughts of the rest of the world, in particular of the governments of the Bank’s clients, on what constitutes a good government and therefore on what they should be doing independently of the Bank. Governance and Development seems to have been written with this objective in mind”.



politics³³ and economy, the “reconciliation” between “hierarchies” and markets as well as the subordination of the former to the latter,³⁴ will enable – according to the World Bank – the enhancement of governance which, in turn, will allow for the creation and support of an environment that is appropriate for free and autonomous citizens to be once again capable of forging and maintaining their own welfare.

The working line on themes of governance was conceived primarily as a possible response to the major crisis in sub-Saharan Africa (Moore 1993: 2). It was forged through a series of reflections in which the morphology and performance of the institutional architecture of politics, as well as of the structure of the relationship between it and society and the economy, of this group of countries with deficient growth rates (taken as a whole) contrasted in a stylised way to those of successful advanced capitalist democracies (also taken as a whole).³⁵ The simultaneous emergence of a new agenda in the group of countries of a region, the collapse of socialist regimes in Eastern Europe and the end of the Cold War finally

³³ “It is strange that, while it has a political dimension, the use of the terms ‘governance’ and ‘good governance’ by the donor actually seems to involve and favour a certain depoliticisation of the political process” (Doornbos 2003: 5). “The conceptualisation of the political reforms and the conditionalities associated with good governance are part of a depoliticisation project that seeks to circumscribe the political or autonomise the economy of politics.” (Hibou 2000: 20).

³⁴ “In studying the relationship between governance and economy, we see that regulatory considerations prevail. The issue here is how the relationship between economy, politics and law should be. We also see that the economic, political and legal factors do not have the same value for the World Bank. Through the concept of governance... politics and law become subsidiaries of the economy” (Benda-Beckmann von 1994: 58).

transformed this agenda into a global one. The collapse of “real socialism” “confirmed” the intrinsic superiority of the performance of advanced capitalist democracies, and was decisive in consolidating both the diagnosis of the relationship between governance and development according to the line of argument of the World Bank, and the guidelines of the new agenda. In this context, the entire community of donors adopted this agenda, though with certain shadings of their own, its corresponding narratives of “good order” and “good government”³⁶ and the advisability of conditioning aid on progress in these matters.

6. From markets to networks: towards a new [meta]narrative of social organisation in the developed world

The ambitious project of social organisation reform initiated by the neoliberal revolution had profound consequences in the real world but also in the world of ideas. In the first

³⁵ “The common denominator of all development cooperation agencies is the idea that ‘good’ governance is a result of what really works in Western democracies. This regulatory or ethnocentric tendency is evident in the agencies’ recipes for developing countries. The so-called good practices include multiparty politics, competitive market economies, decentralisation, a ‘thin and dynamic’ public service sector and other mainstream ideas in western countries... What agencies do in terms of governance is open but is also limited in its orientation by regulations... Finally, governance is nothing but a synonym for seeking the improvement of the performance of the political machinery. ‘Good’ governance is to try to make it work specifically in accordance with the preferred practices of the donors and of those who provide assistance in Western Europe and the United States” (Hyden, Court and Meases 2003: 2).

³⁶ Statements elaborated at the G7 Summit held in July, 1990 in Houston and the agreement for the creation of the European Bank for Reconstruction and Development (EBRD) summarise this consensus.

place, the need for a strong “centre” to introduce the market and to guarantee its performance uncovered a contradiction of the basic ideas driving the metanarrative of the market: an acentric society, a self-regulated and self-organised order. Thus, the political efficacy of the market metanarrative turned out to be ephemeral. Secondly, the transformation of reality through deep market reforms in Great Britain, the “flagship” of neoliberalism, led to some unexpected phenomena which did not easily fit in with the metanarrative intended to be imposed “from above”. The combination of these factors showed the need for a new way of thinking, narrating (and eventually structuring) the social organisation articulated around the network form, which, as in the case of the market, also rejected the idea of central steering. As seen above, this opened up the possibility for a new wave of academic research on governance, essentially in Europe.

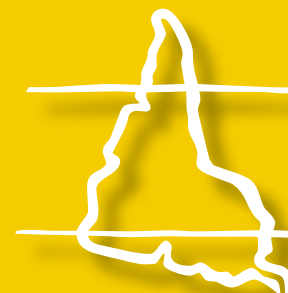
The far-reaching neoliberal reforms introduced in Great Britain during the seventeen years of conservative government which sought to recreate the morphology and modus operandi of its “centre” as well as the relationships between the State, politics, society and economy through market expansion had unexpected consequences: they created networks. In the words of R.A.W. Rhodes, (1999: 12): “in externalising services, selling agencies to the private sector, creating quasi-markets and decentralising functions to local authorities, governments fragmented services and blurred the borders between the public sector, the private sector, the associations and the voluntary organisations. This process provided the necessary conditions for the increase of networks. In order to provide services, organisations need to cooperate with each other; they are interdependent. In the United Kingdom, business management and mercantilisation did not create markets.

Fragmentation led to greater inter-organisational dependence and increased the number of networks as an unexpected consequence of public sector reform”.

The multiplication of networks and their increasing centrality changed the way the government operated, introduced significant new elements concerning how to govern a society, who participates in the government process and how, as well as in the steering power of “the government” (in the strict sense). All of this affected the very meaning of the idea of government. It also changed the way in which it provides services and the dividing “border” with, as well as the relationship between the public, private and voluntary sectors. In the words of Rhodes (1997: 1) “The British government changes. The tradition of the strong executive characterised by the Westminster model³⁷ fails when faced with the complex network of institutions that provide services. Interdependence defeats centralisation. More control is exerted on fewer things. Nevertheless, services are still provided by networks of organisations that resist central steering. It is riddled with organisations which the government fails to steer appropriately. We live in a society without a centre (Luhmann 1982: xv and 253-5), to which we refer as the differentiated polity”.

In view of these changes, in order to deal with the British political reality post-structural reforms, Rhodes proposed the narrative of governance, that is to say that

³⁷*The Westminster model is the conventional perspective used by the Political Science to organise our thoughts about the British political system. “This model stands out the parliamentary sovereignty, the government of a strong office, rendering of accounts through elections, the control of the majority party over the executive, elaborate conventions to conduct the parliamentary affairs, institutionalised opposition and debate regulations” (Rhodes 1997: 2).*



of inter-organisational and self-organised networks that resist centralised steering.

Conceptually speaking, this narrative is responsible for a line of frontal attack on the “hierarchical creed”, which began to be structured from the end of the 1960s and early 1970s, when some European analysts of public policies discovered the networks. From then on networks have gained visibility and importance in academic discussion. In the world of social theory, “network thinking” led to the emergence of a new perception of causal relations in social processes. It also led to the elaboration of the basis of a way of perceiving (and structuring) a social organisation that provided an alternative to hierarchy. In the words of Patrick Kenis and Volker Schneider (1991: 26),

“Network thinking transmits its own world image... [the network vision of social organisation transmits the image of] a society that is no longer controlled by a central intelligence (for example the State); on the contrary, control is dispersed and intelligence is distributed among a multiplicity of units of action. Coordination of such units is not the result of centralised steering or of a certain class of pre-established harmony, but it emerges through the intentional interactions of individual actors, [holders of]... relevant resources”.

In the main, analysts associated the world image that is transmitted in network thinking, that is to say an image of autonomous actors, holders of relevant resources, trapped in a social situation of reciprocal interdependence, exclusively with networks that have a mechanism of social coordination increasingly considered to be on an equal footing with hierarchies and markets, but clearly different from them.³⁸ Along this line, network thinking was used, most of all, at an inter-organisational level in order to study networks of public policies.³⁹

The application of network thinking to the study of public policies facilitated the rearticulation of the notion of political steering around the network form. In the past, the world of academia placed governance on an equal footing with hierarchical political steering. At present, governance and political steering are still synonyms for many analysts – see Mayntz 1998. However, in view of the decline of hierarchies, the new academic narrative of governance defines it as a government modality which is not hierarchical but cooperative, explicitly basing it on the idea of autonomous actors, independent holders of different rationalities and interests, none of which has the power to determine the strategies of others nor the absolute control of the resources of action required to solve a problem.

The resulting narrative re-interprets the phenomenon of the government. Indeed, the growing networks that Rhodes (2000: 77) characterises as “the example of private government” represent an turning point with respect to the way of thinking the government, as it allows for the decentralisation and pluralisation of this phenomenon, thus returning to

³⁸*In this way of thinking, networks were conceived as an ideal type of coordination mechanism, the distinctive note of which was its extreme flexibility and the fact that it lacked the limitations of hierarchies and markets. This conception of the network related it exclusively to positive virtues.*

³⁹*Given that the problems are usually too much for established organisational charts, there is no public agency that can solve them individually. On the contrary, its solution depends both on the performance of a specific agency and on what other agencies, which also have valuable resources to contribute, may do or decide. Therefore, its solution requires the explicit acceptance that autonomous actors are trapped in a situation of reciprocal interdependence which force them to coordinate among themselves through a ‘formula’ that is acceptable to all the parties. In this context, without the voluntary action of the actors involved, it is impossible to mobilise or creatively combine individual capabilities to solve the problems affecting them as a group.*

the original spirit that encouraged the notion of kybern – I will return to this subject. The government (strictly speaking) is no longer a unified actor nor is it the only one to govern. It does not have and is not capable of generating by itself all the resources necessary to face the problems that are considered relevant either. We can no longer regard the government as an independent actor that functions and has relations with other actors in an exclusive hierarchical manner. Like societal actors, the government is also trapped in social interdependence situations of different types.

The explicit acknowledgement of this reality has profound political consequences. First, it promotes association and the establishment of partnerships of different kinds between state and societal actors. While neoliberalism sought to separate and individualise (actors and spheres of social action), the narrative of the network poses the need and advisability of joining, cooperating, converging, merging resources and capabilities above the dividing borders. Secondly, it affects coordination forms between actors, as it restricts the use of hierarchical authority and its counterpart, unilateral adjustment, and it encourages other more cooperative forms. Thirdly, it places the resolution of conflicts between partners at a central point of the agenda. Fourthly, it makes the process of formulating public policies deliberative. This requires the acceptance of the importance of argumentation, dialogue and mutual adaptability among actors. The deliberative process allows for the free exchange of opinions about the problem to be confronted, thus enabling the improvement of policy quality and generating complications that facilitate their implementation. As a result of the above, the argument continues, the effectiveness of the policies is enhanced and the possibility of achieving positive results is substantially increased. Fifthly, it generates a new way of governing.⁴⁰ Along that line, “governments have to stop functioning as

controllers of a system and must concentrate their efforts on network management, initiating and facilitating the interaction process among actors... creating and changing networks for their better coordination” (Kickert, Klijn and Koppenjan 1997: 11).

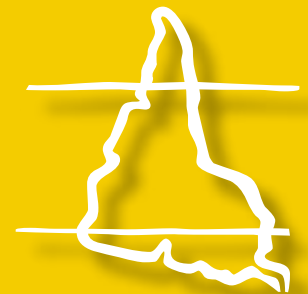
This narrative – still centred on the world of politics and State – presents a world of blurred borders, of inclusion, centripetal dynamics, convergence. An acentric society, anchored in a large public arena of encounter and exchange, available to everyone, which facilitates the co-decision of the direction to be followed and welfare co-management and cogeneration. Politics no longer seek to separate, individualise, exclude, or attribute clear responsibilities to specific actors. Politics becomes a synonym for inclusion, it is self-restriction, dialogue, co-decision, encounter, participation, deliberation, horizontality and partnership.⁴¹ Narratively, in this context politics turns into “good policy”. Although not explicitly expressed, in this narrative the government also becomes “good government”, and the collective order generated also turns into a “good order”. Yet, the resulting narrative of “good order” and “good government” does not match the narrative sustained by the current development agenda which openly relies on “good policy”.⁴²

The new narrative of governance directly relates the emergence of “good policy”

⁴⁰The consolidation of the new logic of operation of the public sphere demands “another kind of authority than the one that only gives orders and says no! An authority that is more interactive, negotiating, that allows people to govern themselves” (Bang 2003: 8).

⁴¹Thanks to this new narrative, today we see an increasing acceptance of the idea of interdependence. As argued by Maarten Hajer and Hendrik Wagenaar (2003: 16) “if the groups recognise that they are interdependent... they will recognise that they cannot solve key problems without collaborating”.

⁴²The expressions ‘good order’ and ‘good government’ are discursive constructions, founding elements of (meta) narratives about the world we are living in. Despite their appearance, they are not neutral or objective expressions



with the collapse of “centrally steered societies” and the emergence of “acentric societies”. This narrative carries the political implications of network thinking to their logical conclusion; thus, the idea of reciprocal interdependence emerges, applied exclusively to the network form, as a clearly different ideal type of hierarchies and markets. The resulting notion of governance appears as a new conceptual instrument to designate (and promote) “the new”, which also appears as “the desirable”, from the normative point of view; a metanarrative in the making.⁴³

7. Governance, development and polycentrism: towards the construction of a more comprehensive meta narrative of the world we live in (or the world we want)

The prevailing contemporary academic discussion about governance has so far been kept out of the development debate. It has only gained slightly from its inputs and has not made any significant contribution to it. This is due largely to the fact that the acentric model of social organisation that it advocates is not the most appropriate immediate referent for considering (or operating on) the social organisation of countries that have been transformed by neoliberal reforms. On the one hand, the systematic attack of the networks that linked the State and society “in the shadow” of hierarchy and its associated metanarrative, the brutal separation of actors and spheres of social action, the individualisation processes encouraged “from above”, the depoliticisation and reduction of the legitimate field of politics are not easily compatible with the images of the prevailing new academic metanarrative of governance. On the other hand, as we have already argued,

in order to “join a network” it is necessary to have the capabilities and resources that other actors do not have or value positively. As the existence of high capacities distributed among different societal and State actors is a *conditio sine qua non* of constructing a form of collective social organisation like the one promoted by the prevailing new academic narrative of governance, it is easy to understand why this is not possible within contexts of scarce and badly-distributed individual and collective capacities.

This article first argues that, in order to link these discussions, it is necessary to rethink both the challenges facing development and the conceptual machinery adopted for the consideration of social organisation. In accordance with the proposal of Amartya Sen (1999), in “Development as Freedom”, this article argues that, in terms of development, it is a priority that the group of societal and State actors “invest” in the strengthening of their individual and collective capacities, as it significantly improves their capability of facing up to the different problems preventing them from fulfilling their potential in a coordinated manner.

Secondly, that faced with this challenge, the current paradigm of “good government” and “good order” which, as we have expressed, has inherited a heavy burden from the third global agenda, appears to be conceptually and operatively insufficient. Thirdly, that we need

⁴³*In my opinion, the metanarrative of governance is, for the time being, an essentially academic narrative. Its timid adoption by political actors is gradually becoming clear, most of all in Europe.*

⁴⁴*“Governance as such does not exist” (Rhodes 1999: 48). “Governance as such does not exist because all complex political objects are partly construed by means of our theories about the world and the traditions they are part of. Our way of understanding governance depends, therefore, on the theories we utilise” (Rhodes 2000a: 68). Hence, for Rhodes, governance is not a theory in itself but rather part of a broader theory.*

an orientational paradigm that includes the issues posed by the current agenda but with a broader outlook. Fourthly, that considering that governance is still one of the cornerstones on which development cooperation is currently structured, the alternative paradigm must also be anchored in this option. Nevertheless, this does not mean that the proposal of identifying the idea of governance with that of “good order” and “good government” – according to the proposal of the World Bank – is the best possible way of considering development and cooperation challenges, despite the normative and communicational attraction which, in abstract, such notions evoke. In order to cope with these challenges, this article presents the basic guidelines for a way of perceiving (and structuring) social organisation, centred around the notion of “polycentrism”.

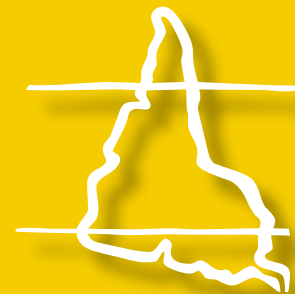
Regarding the institutional challenges for development, it is suggested that the construction of “polycentric” “governance systems”, a clear example of “good order”, is a valid option for structuring (and envisaging) the post-“centrally steered societies” and post-neoliberal reforms social order in countries that have been immersed in profound transformation processes for a long time. Firstly, the existence of a polycentric system of governance provides a proper context in which to generalise the production of new social dynamics based on the principle of ownership and on the art of a voluntary and reflexive association that considers investment in institutions as a value. Secondly, the general improvement of internal and external institutional capacities allows for the emergence of a plurality of potential forms of articulating the individual and the collective. On the other hand, a large variety of coordination modalities for articulating responses to existing problems increase the possibility of success in

this enterprise. Thirdly, given that capacities are largely decentralised in a polycentric social order, the different actors have better capacities to avoid aligning with external agendas with which they do not agree. The widespread existence of networks of actors with high “own” capacities, in an environment in which the stock of collective capacities on which to lean is also high, favours autonomy and, consequently, the emergence of differentiated and plural logics at the heart of society. In this framework, the automatic alignment with power or its unilateral exercise do not appear possible or desirable. That is the reason why polycentric social orders lead to a dynamic that generates mutually accepted points of contact that enable the creative mobilisation and combination of capacities for confronting the challenges affecting them as a group (variable geometry).

Action in the service of change and institutional construction require good “navigation instruments” and a clear target; however, for all this to be feasible we must first conceptually construct the idea of a polycentric governance system and get a better understanding of the institutional dynamics which may lead to its construction.

The notion of governance has so far been exclusively identified as a mechanism of social coordination (or institution); for example, hierarchies or networks. The resulting narrative has been trapped in the intrinsic logic of the coordination mechanism on which it was constructed. In order to redirect the current discussion on governance, this article underlines that it is necessary to integrate this discussion into a more general one, which may be aimed at better understanding the institutional phenomenon, particularly that of the institutional configurations, and the complex social dynamics they generate.⁴⁴ The following text is based on Feldman (2006).

Institutions are specialised mechanisms adopting different principles of social regu-



lation (hierarchy, exchange and solidarity), which autonomous “cognitive” or “creative”⁴⁵ actors, trapped in a social situation of mutual interdependence, adopt to coordinate their decisions and actions with the intention of expanding their “horizons of potential possibilities”.⁴⁶ Challenges to be met by actors who wish to expand their “horizons of potential possibilities” in a coordinated way vary according to a whole series of circumstances. When the coordinated expansion of the “horizons of potential possibilities” requires joint production (or creation of value) and/or distribution (sharing values) of divisible and transferable goods, the effective coordination of the decisions and actions of the actors involved also requires the reflexive institutional structuring of its interrelations based on any “acceptable” “formula” by the involved parties. The notion of reflexive institutional structuring refers to two “meta” activities. On the one hand it refers to the adoption of a “coordination regime” (or constitution, *sensu strictu* or *lato sensu*) to regulate interactions in the medium and long term, which enables them to function collectively and in a productive manner. On the other hand, it refers to the adoption of formal and/or informal rules to prevent, manage and solve actual or potential problems and/or conflicts that may arise between them. As time goes by, a successful process of “reflexive institutional structuring” of the government of the association among actors leads to a “regularisation” of their interactions, as well as to the generation of expected results, the convergence of their expectations and the emergence of shared visions of the world in which they operate.

Institutions have an external and an internal face. Beyond the prevailing narratives and the images they transmit, “external” and “internal” faces may actually anchor simultaneously in (combinations of) principles of social regulation that do not necessarily have to

match. This way of understanding the institutions has a clear effect on the way of perceiving the phenomenon of government; first of all, it decentralises it. “The” government is no longer the only one who governs.⁴⁷ Secondly, as institutions have a double face anchored in the principles of social regulation which do not necessarily have to coincide, this way of envisaging institutions allows us to break the equation “government necessarily equal to (internal and external) hierarchy”. This way of thinking brings about three consequences. Firstly, it enables us to go back to the original meaning of the *kybern* phenomenon (government in the strict and broad sense). Secondly, in addition to the hierarchical government, it gives us the possibility of incorporating self-government and co-government into the *kybern* phenomenon. And thirdly, it provides the opportunity to institutionally anchor the phenomenon of government also in non-hierarchical forms, for example the network.

Institutional creation (in its broad sense) does not take place in a *tabula rasa*. On the contrary, it is a process embedded (laterally, from above and/or from below) into a complex social and institutional, multilevel

⁴⁵“Cognitive agents act intentionally and use their knowledge to look for solutions based on perceptions and conscious design. They seek the satisfaction of their needs. They are not maximalist. Creative agents are those who possess the ability to mould and transform the environment, thanks to their capacities to act strategically and in a multidimensional manner. Their rationality is recursive as it is nurtured simultaneously by their capacities of autonomy and self-management and by the strength of pertaining to groups and intensifying the interaction with other members thereof.” (Amin and Hausner 1997: 9).

⁴⁶“When the decisions of an actor have an impact on the issues that concern the decision of another actor, greater welfare may be obtained through the coordination of such decisions” (Scharpf 1997: 247).

⁴⁷“The government could never govern if the people – in their organisations, their families and in any kind of groups – did not self-govern.” (Dunsire 1993: 26).

and trans-systemic configuration, that pre-exists and underlies this process, and that also stems from within it. In this way of thinking, the new and pre-existing institutions form the real structure of kybern in a specific social order. Given the centrality of the institutional phenomenon (in its broad sense) in the government of association among actors, its decentralised character, its clear direct and indirect impact on the “horizons of potential collective possibilities” of the different actors, its decisive influence on the morphology and performance of institutional actors and networks, its variable geometry, the added impact of which ends up being systemic and generating interrelation patterns among consistent, predictable and regular networks, for analytical purposes we refer to this complex social and institutional configuration as a “system of governance”.

From their conception, institutions establish an operational relationship with those that already exist. Consequently, in practice, institutions form complex and hierarchical configurations that are usually integrated by formal and informal institutions which operate in the shadows. Apart from the intentions of the creators of the institutions, the level of development and sophistication of institutions gathered in a network, as well as their morphology and quality, are the elements that determine the patterns of the real operative relationships to be established. There are two possibilities. Institutions may rely on and complement each other (complementary relationship). If the institutions are scarcely developed, other institutions may (formally or informally) substitute them, which does not necessarily entail the end of the existence of inefficient institutions (substitution relationship).

The existence of networks of institutions integrated by operationally connected institutions also affects the relationship estab-

lished by actors with institutions, as it intensifies the reciprocal interdependence between both of them in a complex way. Institutions restrict and permit concurrently. The existence of institutional networks intensifies their restrictive capacity. Yet, at the same time, the grouping of institutions in networks helps to generate a series of collective and mutually sustainable resources (for a variable period of time) of an institutional nature which further social action. In this line of reasoning, only the institutional structuring of the coexistence of “locked-in” actors can provide the possibility for them to obtain the necessary resources to thrive in the macro-institutional context within which they are trapped (whether through the generation of resources by means of mobilisation, or through the creative combination of those resources they already have, or through “loans” as the result of an exchange relationship).

Every network of institutions (and actors) is permanently interacting with other networks. Networks establishes specific interaction patterns according to the institutional capacities accumulated in each of them. Such capacities determine their “offensive” and “defensive” potential when confronted with specific challenges. This way of regarding institutions gives the possibility – and the duty – to connect the internal dynamics of a given network to its institutional infrastructure. It also allows (and compels) the incorporation of this dimension into the analysis of the external dynamics of the network. In this respect, the degree of equality or inequality of the institutional capacities available to the actors of the different networks becomes a key element when it comes to establishing interaction patterns between them. Likewise, analysts cannot restrict themselves to analysing what is going on exclusively inside of a network. On the contrary, it is nec-



essary to consider the interplay between the external and internal dimensions.

This article argues that as the quality, level of sophistication, level of development and functional differentiation of the institutions grouped in networks increase, the resulting networks tend to increase their own (or metaphorically speaking “local”) components. In increasing their “local” components, “local” actors also increase their level of reciprocal interdependence. As a consequence, they crystallise certain distinctive local and inter-local interrelations patterns, which leads to the generation of particular social dynamics that tend to become deep-rooted. This article argues that we should associate specific patterns of social dynamics with types of “governance systems”. It also states that we should link a type of “governance system” with the distribution of capacities in the different areas of social action and with types of networks of actors and institutions, the performance of which is based primarily on “local” elements or on “extra-local” elements.

Networks of actors and institutions which are not based on “local” components but rather on “extra-local” ones, and which do not operate on the basis of differentiated and autonomous logics, characterise a “centrally steered society”. Envisaged as an ideal type, a “polycentric society” is one in which, apart from the State, two or more areas of social action (politics must be one of them) have undergone substantial functional differentiation, self-organisation and institutional construction processes. This has given rise to sophisticated networks of actors and institutions within each of the “centres” increasingly anchored in “local” components. Such diversely-shaped networks are loosely coupled with each other and are coordinated essentially through mutual adaptation.⁴⁸ However, these specialised networks operate on the basis of autonomous and differentiated logics.

These processes of institutional development lead to the growth of independence within and among societal sub-systems.⁴⁹

The defensive and offensive (individual and collective) capacities of the different networks and their effective capacity to cope with the challenges they are confronted with represent the guarantee of such independence. “Independent” networks have a broad margin for drafting their own agendas and for having their own capabilities in order to avoid doing what they don’t want to do and to try to realise their aims.⁵⁰ In a polycentric social order, there is a greater capacity for solving problems in a decentralised, “local” manner. Thanks to the greater capabilities available and to their decentralised distribution, the intra and inter-systemic traffic of demands is not usually so intense.

Nevertheless, the specialisation of capacities available to the actors of the different networks do not enable them

⁴⁸Unlike a “centrally steered society” in a “polycentric society”, the organisation and the organisational and institutional specialisation obey essentially “local” criteria.

⁴⁹In a polycentric social order, both the State and the most developed areas of social action are vertically and horizontally organisationally separated. The interrelation patterns among these organisations are more “heterarchical” – that is to say “many with many” – than hierarchical (many with one).

⁵⁰In a critical comment on the work of Amartya Sen, ‘Development as Freedom’, Peter Evans (2002: 56) pointed out that “Sen is still a good follower of Manchester liberalism... His analysis is focused on individuals and their relations with the general context surrounding them, not on collectives as the necessary bond between them both. [And nevertheless,] individual capacities depend on collective capacities”. The expansion of individual capacities of election should be considered in accordance with the collective capacities on which they are supported. Therefore, the proposal for the adoption of the idea of constructing polycentric social orders as an orientational paradigm for development cooperation is in line with the reflection and action of human development.

⁵¹The acentric model proposed by the prevailing academic narrative on governance emphasises the networks formed by actors who belong to different sub-systems. In addition, the polycentric model provides a conceptual umbrella that allows for the analysis of intra-systemic networks and dynamics as well reasons to encourage them.

to deal with all kinds of problems and contingencies. Consequently, in this type of society, the tendency towards greater independence and specialisation usually also leads to an increase in interdependencies, both within and between the networks of diverse “localities”.⁵¹ On the other hand, in a polycentric society, the high level of development and sophistication of the institutional infrastructure of networks gives the actors the possibility to use a variety of specialised modalities of interaction for coordinating reflexive and autonomous responses to the large number of problems affecting them.

In an increasingly interdependent society, the decentralised distribution of institutional capacities distances the possibility both of intra and inter-systemic coordination modes of the hierarchical command type and the other side of the coin unilateral adjustment. On the contrary, the prevailing modality is self-restriction and moderation.⁵² Compared to a centrally steered society, in a polycentric social order, the tasks and responsibilities associated with social integration tend to decentralise. In view of the impossibility of appealing solely to such responsibility, the “political horizons of possibilities” are reduced. In turn, this element hampers legitimate direct intervention in processes managed by other actors, imposing its own logic as it did in the past. Yet, this does not release it from its responsibility of trying to create (and co-manage) areas of common responsibility with other actors, besides those that are strictly individual or separate.

In a polycentric social order in which the group of actors is involved in processes that respond to increasingly autonomous – and thus less controllable – logics, and exercises a high level of self-government,

politics is confronted with the double challenge of answering a wide range of challenges together with societal actors and also seeking new forms of influencing them. While politics becomes more pragmatic, more communicative, reflexive, collaborative and open to dialogue, its forms of intervention become more indirect, more meta-constitutional, and give rise to a sort of inter-systemic intervention, which is less traditional (that is, less hierarchical, less dirigiste, less centralised and less visible) and which discriminately seeks to influence the “organisation of self-organisation” (Jessop 1998: 42) taking into account, among other things, the operational codes and “local” rationalities. On the other hand, without disregarding the possibility of imposing decisions “from above” as a response to difficult situations affecting society as a whole, in less dramatic matters it is usually more explicit regarding the importance of intensifying the art of decentralised association, coordination, cooperation and co-production as an explicit strategy for building capacities so as to confront the challenges through the logic of partnership, exchange and networking.⁵³

In short, thanks to the establishment of a productive balance between the spheres of social action and between networks of

⁵²*In this logic, the more a network is capable of externally inducing moderation, and the more this affects the actors in the networks with which they interact, the more we can assume that this situation will help the affected actors to acknowledge the need to strengthen their own collective capacities even if the costs and benefits of this move are not equally distributed among the actors.*

⁵³*Quoting Jan Kooiman (2003: 7), the generation of these kinds of dynamics calls for an environment that promotes “meta-principles to be opened to differences, to favour good communication and learning”.*



diverse actors, a polycentric social order offers an appropriate framework for the construction of partnerships (or communities of action)⁵⁴ that are self-organised or organised “from above”, independent, multiple, specialised, overlapping, of variable geometry and really productive and which are intended to increase the possibilities of partially expanding the horizons of possibilities of their different members (or alternatively of those they represent) and to the open new windows of opportunities for them.

8. Towards stronger decentralised (and European) cooperation

As we argued in the first section of this article, the way of envisaging social organisation and the existing paradigm of development are key elements for the structuring of the development agenda. We have also seen that, for a period of time that is a priori undetermined, it constitutes the most important frame of reference for determining the main lines of action for facing up to a series of “privileged” problems.

This article argues that neither the way of perceiving social organisation nor the current paradigm of development on which the new global agenda is based favour the full strengthening of decentralised cooperation. Firstly, given that the success of this policy requires the existence of certain conditions considered “appropriate” by the current agenda (“good order” and “good government”), the creation of which is not conceived as an objective of decentralised cooperation, deployment of its potential is subordinated to the creation of such conditions by another set of “more relevant” policies. Secondly, what the current global agenda considers politically and institutionally “appropriate” for further development is, unquestionably, insufficient to trigger the potential of decentralised

cooperation. Thirdly, improvements in local capacities do not form part of the group of problems that are “privileged” by the current global agenda.⁵⁵

Raising the profile of decentralised cooperation requires a continuous advance in the improvement of the instruments and programmes adopted as well as the results. But most of all it calls for certain battles in the world of ideas. It first requires the adoption of an alternative way of thinking, narrating (and structuring) social organisation; a way that privileges the decentralised co-creation of capacities through the art of voluntary and reflexive association, encouraging the resolution of problems based on preferably (but not exclusively) decentralised dynamics, thus fostering the creation of partnerships of different sizes, and that is capable of “reading” these processes from a collective perspective (that is to say, from its contribution to the group). Secondly, it requires the adoption of a paradigm of development consistent with such a way of envisaging social organisation; a paradigm that may centre its outlook on the generation of capacities for dealing with a collection of problems and circumstances that could impede the fulfilment of the potential of both individuals and collective groups. Thirdly, it requires that decentralised cooperation increase

⁵⁴Based on Hanna Arendt, Maarten Hajer and Hendrik Wagenaar (2003: 16), who defined communities of action as “those capable of achieving shared definitions of the problem to be confronted as well as agreeing on how to confront such problems”.

⁵⁵In Europe, decentralised cooperation has gained importance in the last decade. In spite of that, and according to the recent communications of the European Commission, COM(2005) 311 Final “European Union Development Policies ‘The European Consensus’” and COM(2005) 636 Final “A stronger partnership between the European Union and Latin America”, decentralised cooperation does not appear to be part of a European strategy – it is not even mentioned. On the other hand, the word ‘local’ only appears in extremely irrelevant contexts.”

its ambitions and that it take charge of the need to contribute, to as great an extent as possible, to the creation of local capacities intended to turn the development agenda into reality. This requires that the promoters of decentralised cooperation be capable of looking at the local from the perspective of the global. Likewise, it calls for the group of relevant actors within the development community to accept that the realisation of the development agenda has a local component and that, as each actor has its own particular resources and abilities, which, if combined in an intelligent and creative manner could allow for the increase of their global capacities, (see Fernández de Losada 2004), it would be advisable to foster the participation of the local actors of the developed countries.

This article holds that the adoption of a way of envisaging (and structuring) social organisation on a polycentric basis and its application to the themes of development and cooperation policies, may be crucial to increasing the profile of decentralised cooperation. In the first place, because it would enable its integration into the task of co-construction and co-management of decentralised capacities which are vital for development, a task which is now regarded as necessary. Secondly, as it would facilitate the construction of networks and strategic (horizontal and vertical, domestic and international) alliances intended to create “communities of action” with strong local components. Thirdly, being beneath a common umbrella of policies oriented to the construction of polycentric social orders would enable the establishment of a fluent operational connection between decentralised cooperation and other lines of action concerning cooperation, without disregarding the singularity of each one of them.

This article also holds that European cooperation will also benefit tremendously if it emphasises the local sphere as both its object and subject. The generation of a dynamic aimed

at seeking points of contact between policies, actors, (European) internal and external lines of action, would provide the possibility of stressing the need to disregard unilateralism as a practice and to adopt a culture of partnership. It also will further the principle of complementarity in terms of development cooperation, consolidated by the Maastricht Treaty (Art. 130U) and object of the recent European Commission report on “European Consensus”. This could be crucial for expanding the global influence of Europe in terms of development. It is for this series of reasons that it is clear that Europe needs strong and ambitious decentralised cooperation as much as it needs Europe.

To raise the profile of decentralised cooperation is possible and desirable, but it depends to a great extent, on the fact that Europe has to be more collectively ambitious. Although decentralised cooperation currently plays only a marginal role, its potentiation would be an indication that Europe has taken a step forward with regard to global influence, as such commitment also implies the commitment to “acting together” and constituting a real “community of action” that will “make a difference” in terms of development.

The fostering of decentralised cooperation cannot be envisaged in isolation from the fostering of European cooperation. This article has stated that the adoption of a way of thinking of social organisation on polycentric bases may become a key element for both objectives, as it would facilitate the fostering of collective reflection on the advisability and necessity of articulating dynamics, policies, resources and strategies with regard to European development cooperation. At a time when Europe is entering a period of debate about its development policy, in view of its intention of becoming a relevant global player, the reflections presented here concerning the advisability of (and the prerequisites for) fostering decentralised cooperation and the local sphere are particularly pertinent.



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Regional Integration Processes

The participation of sub-state governments in the European integration process

This article analyses the participation of local and regional governments in the European construction process. To this end an evolution is presented of the municipalist movement in Europe and the creation of the Committee of the Regions, which represents a formal and political advance of remarkable relevance. Likewise, there is an analysis of the mechanisms used to involve sub-state governments as actors in the policy-making process by studying the two main instruments that every government has for policy-making: the capacity to legislate and the budget. After this detailed description of the role played by sub-state governments in the European integration process there follows a reflection on the extent to which such changes represent a new European governance.

KEY WORDS

*Local government |
Integration process |
Municipalism |
Committee of the Regions |
New European governance |*

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1. Introduction

This piece of work tackles the participation of sub-state governments – regional and local governments – in the European construction process. It is based on a multiple approach, analysing the phenomenon from diverse perspectives with no chronological correlation with each other, but that provide different elements that help in drawing conclusions.

The subject is tackled from the historical perspective, which is essential in such a complex process as European integration, highlighting the way sub-state governments have progressively overcome the lack of permeability of Community institutions and of Member States, which closely guarded the space created throughout the last fifty years.

The evolution of the municipalist movement in Europe is analysed, distinguishing two well-defined phases: the first stage, which coincides with the economic integration period – almost exclusively monopolised by the Community States and Institutions – represents the launching of European municipalism through the creation of platforms which may be defined as structural; the second, which coincides with the Maastricht Treaty and with the inception of the political integration process, is characterised by the progressive presence and participation of sub-state governments in the elaboration of European policies. The intention of the European Union to draw closer to the citizenry and to gain greater democratic legitimacy is made clear. This period is concurrent with the rise of the decentralisation process in Europe, in which local governments and regions acquire significant competences, a major capacity for action and a considerable degree of influence.

Following this, this study analyses one of the main milestones for European sub-state governments: the creation of the Committee of the Regions, which represents a remarkable political and formal advance. However, it is an institution with scarce capacity of influence on Community policies, restricted to consultative functions, but with a long track record.

Lastly, it goes more deeply into the mechanisms used to include sub-state governments as actors in the policy-making process, through the analysis of the two main instruments every government has to make policies: the capacity to legislate and the budget. There is an analysis of the issues presented by the so-called new European governance, as well as the use of Community financial instruments as a mechanism to weave a web of actors on the continent who work jointly for the development of policies that are closer to citizens.

The conclusions arising from the study of these major issues reinforce the value of the participation of proximity governments in the setting out and development of European Union policies. Interrelation of the local with the Community currently represents a requirement in Europe if it is intended for Community policies to have an effective and positive impact on citizen welfare.

2. Historical background to the European integration process

The European construction process represents one of the most important political challenges in recent history. The project initiated by Robert Schuman and Jean Monnet is without precedent. The European states, the main actors in modern history, having confronted each other in innumerable conflicts, gradually hand over an important part of their sovereignty to



a new political supra-state entity. This is a complex and innovative process, extremely relevant for various regions on the planet that see in integration the only way to confront the globalisation process. “Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity”.¹

The Europe of the Communities, planned as a recipe for peace, stability and economic and social growth, was initially configured as a great space for economic integration, in which goods, capital and workers would circulate freely.

Then, with the entry into force of the Treaty on European Union,² the road towards political integration begins. Treaties provide the Union with a system of competences, some of them exclusive³ and most of them shared⁴ which directly influence not only the governments and administrations of the Member States, but also all public and private operators and the citizenry in general.

The European Union, as a “public policy factory”⁵ has a direct influence on the development of competences in sub-state governments, including, under this denomination, all types of regional and local government. Brussels represents for these governments not only an extraordinary opportunity to obtain funds, but also an operator with a significant legislative and political capacity which directly influences their daily tasks.

But the European Union has not always been sensitive and permeable to the needs, interests and concerns of sub-state governments. The European construction process has not always had the involvement of its citizenship, the economic and social operators or the proximity of governments. It may be stated that, during its first years, the process was almost exclusively reserved for the governments of the Member States and their administrations

From its inception, the European Union has displayed a high degree of sensitivity

towards the imbalances within its territory. The preamble of the Treaty of Rome⁶ deals with the concern of the signatory states to “strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions”. And in order to resolve this concern, the Union has developed a whole series of structural policies which, as from the mid-1980s, have materialised in the social and economic cohesion policies and are implemented through the Structural and Cohesion Funds.⁷ In any case, this is a merely economic concern which does not give rise to interrelation of actors operating in the territory. The European Regional Development Fund (ERDF) as well as the Committee on Regional Policy, pillars of European regional policy, were created in the middle of the 1970s without taking local and regional governments into account.

With the entry into force of the so-called Single European Act,⁸ the European Union institutionalised its political action in a whole series of spheres in which it had been operating in a more or less formal manner by means of

¹Extract from the Declaration of the French Ministry of Foreign Affairs, Mr. Robert Schuman, on 9 May 1950.

²Upon the entry into force of the Maastricht Treaty on 1 November 1993 the generic term “European Community” which encompasses the EEC, ECSC and EURATOM is replaced by “European Union”.

³Competition, currency, agriculture, fishing.

⁴Social and economic cohesion, environment, transport, telecommunications, research and development, justice and internal affairs, foreign trade, international cooperation.

⁵Public Policies in the European Union, Francesc Morata, 2000.

⁶Treaty Establishing the European Economic Community, Rome 25/03/1957

⁷European Social Fund (established in 1957 and operating since 1960)/ European Agricultural Guidance and Guarantee Fund (established in 1957 and operating since 1964)/ European Regional Development Fund (created in 1975)/ Instrument for Fisheries Guidance (created in 1993)/ Cohesion Fund (created in 1993)”.

⁸Single European Act, Luxembourg 17-02-1986.

an intergovernmental cooperation system.⁹ Its orientation is still basically economic; the challenge lies in the establishment of the single market, but a set of necessary policies to face such a challenge started to be implemented in order to meet this challenge. For the first time reference is made to social and economic cohesion, while political action in fields such as employment, environment, transport and foreign action is reinforced. But it is only with the adoption of the Treaty on European Union¹⁰ that the foundations were laid on the route to be followed towards political union.

The Intergovernmental Conference¹¹ from which the Treaty on Union emerged, tackled the participation of regional and local entities as a mechanism to reinforce and complete the democratic legitimacy of the European Union for the first time, welcoming the representation of those whose political power stems from a source of democratic legitimisation other than that of the State central powers. It is also a question of going deeper in the principle of subsidiarity in order to bring the Union closer to its citizens. (Abellán Honrubia 2003).

This moment coincided with the peak of the decentralisation process in Europe. A double – and very interesting – phenomenon was taking place, which was to directly affect the classic concept of the nation-state. Increasing competences were attributed to a supra-state government – the European Union – while a process for the devolution of competences to sub-state governments, who gained more competences, resources and influence capacity, particularly in federal states like Austria, Belgium, Germany or Spain, was promoted.

The most remarkable elements of the Maastricht Treaty are the creation of European citizenship, the reform of Community institutions in order for them to function more democratically, the creation of the Committee of the Regions and the intensification of political cooperation among the Member States through

the Common Foreign and Security Policy (Title V) and the cooperation mechanisms established in the sphere of Justice and Home Affairs (Title VI).

The political impetus that Maastricht represents was curbed by the European leadership crisis in the late 1990s. Despite the Economic and Monetary Union culminating in the introduction of the Euro, and the laying of the foundations for EU enlargement, it is only upon commencing work on the elaboration of the new European Constitution¹² that the project of political integration is once again confronted.

The constitutional text¹³ includes highly significant provisions like the reform of the institutional structure in order to adapt it to enlargement, a catalogue of citizens' fundamental rights and duties, as well as a reinforced summary of the spheres of political participation that turn the European Union into a first degree actor both within its borders and throughout the world. The Constitution also includes some relevant provisions regarding the role to be played by sub-state governments. In this regard, when defining the targets of the Union (Title I of Part I), and, specifically, when dealing with the relationship between the European Union and the Member States (Article 5), explicit reference is made to the recognition of local and regional autonomy: "The Union shall respect the national identities of its Member States, inherent in their fundamental structures, political and constitutional, inclusive of regional and local self-government".

⁹Title III of the Single European Act is focused on the so called European Political Cooperation.

¹⁰Maastricht Treaty, 7-02-1992.

¹¹Intergovernmental Conference on Political Union held in 1990.

¹²By means of the so-called European Convention.

¹³The Constitutional Treaty was signed in Rome on 29 October 2004.

3. The evolution of municipalism in Europe

As has already been mentioned, the capacity of local governments to have a bearing on European construction has progressively increased throughout the last fifty years. From an historical perspective, two different stages can be identified.

The first stage starts in 1951 with the creation of the Council of European Municipalities and Regions, and lasts until the beginning of the 1991 Intergovernmental Conference which led to the signature of the Maastricht Treaty. Institutions are created during this stage which, though private and of a voluntary nature, have a “structural” configuration, and are granted higher representativeness and capacity for influence: the Council of European Municipalities and Regions (CEMR),¹⁴ the Assembly of European Regions (AER)¹⁵ and Eurocities.¹⁶ It is also worth underlining the fact that the Conference of European Local Powers (currently Congress) was created in the heart of the Council of Europe, although with a different configuration due to its situation within the framework of an International Organisation.

During this first stage, the process of European construction was monopolised by the governments and administrations of the Member States. The capacity for influence of municipalist and regionalist platforms was low, basically due to the lack of permeability of Community institutions and Member States. European construction takes place far away from the people and its proximity governments and administrations.

The second stage began with the signature of the Maastricht Treaty and the establishment of the Committee of the Regions, and it continues today. Member States still play a pre-

¹⁴www.ccre.org

¹⁵www.a-e-r.org

¹⁶www.eurocities.org

It is also interesting to review the provisions of Article 9, which make reference to the fundamental principles in terms of the Union competences (Title III). In this regard, based on the principle of subsidiarity: “In areas which do not fall within its exclusive competence, the Union shall act only if and insofar as the objectives of the intended action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level”.

The proposed Constitution significantly explains the scope of the Principle of Subsidiarity. The constitutional text includes a “Protocol on the application of the Principles of Subsidiarity and Proportionality”. Now, despite its relevance and the fact that it establishes a system to control the application of these principles (the “subsidiarity test”), neither local nor regional entities have any role recognised in it, and they always have to resort to the Member States. This is especially relevant with regard to regions with legislative capacity that aimed to have their active legitimacy recognised in order to enable them to lodge appeals before the EU Court of Justice, in the event of vulnerability of the principle of subsidiarity in matters of their competence. This capacity has effectively been recognised by the Committee of the Regions, which, in any case, represents a major advance.

In the last few months Europe has suffered an important setback with the rejection of its constitutional text in the French and Dutch referendums, as well as with the issues connected to determining the 2007-2013 Financial Perspective, approved at the last minute in the recently-held Brussels summit, with an important reduction of the funds to be managed by the Union in the coming years.

dominant role, but the concept of local democracy has started to gain strength and the role of local and regional entities has a small but growing space within the European political and institutional sphere. During this second stage many platforms are created encompassing sub-state governments which take on quite different forms, and which respond also to quite different interests and needs.

3.1. The first stage: from the origin to the institutionalisation of European municipalism

The starting point of structured European municipalism is to be found in the creation of CEMR,¹⁷ established in Geneva in 1951 by a group of mayors. Today, this is one of the largest European organisations of regional and local governments, with some 100,000 members; the organisation manages a significant budget and holds a remarkable capacity for influence. CEMR has been an active operator in the European construction process, looking for construction aimed at promoting the transformation of Europe of States into Europe of Citizens. The European Charter of Municipal Freedoms¹⁸ inspired the European Charter of Local Self-Government¹⁹ promoted by the Council of Europe, which provides a significant increase in municipal competences.

In reviewing the political resolutions of the CEMR general assemblies (Conseil des Comunes et Regions de Europe 2000) it is clear that, since its constitution, this association has taken on a key role in applying pressure aiming to accomplish the representation of territorial communities in European institutions. Throughout the period from 1951 to 1990, most of these assemblies were engaged in expressing concern for the scarce weight of local and regional communities in European construction. Back in 1954, during the third General Assembly held in Venice, it is stated that

European construction shall not be complete and effective without the intervention of local powers and municipalities, and the need for these powers to be effectively represented before the current and future European institutions is emphasised.

Four years later, in 1958, CEMR expressed its demand for the executive and consultative bodies of the ECSC, the Common Market and EURATOM to take into account the existence of the European regional and municipal entities, which were willing to actively contribute to the achievement of the European project and to bring it closer to the people, who were still quite unaware of its relevance.

Throughout the European construction process, CEMR pursued the idea of creating a strong and united Europe, based on local and regional autonomy, in which decisions would be made within bodies that were closer to the citizenry. For this reason, in 1972, during its tenth General Assembly, it was underlined that no real institutional balance within the core of the European Community could be achieved without the establishment of an assembly in which regional and local powers – basic foundations for the establishment of true democracy – would be represented. In this regard, CEMR recommended the establishment of a consultative body of regional and local communities.

¹⁷In the 1990s CEMR became the European section of the IULA (International Union of Local Authorities), the oldest local government association in the international sphere, which in May 2004 merged with two municipalist international associations: the World Federation of United Cities and Metropolis, giving way to the creation of the world organisation of local governments: United Cities and Local Governments (UCLG), with permanent seat in the city of Barcelona.

¹⁸The European Charter of Municipal Freedom was drafted in the first General Assembly of the CEMR in Versailles, 1953.

¹⁹The European Charter of Local Self-Government was adopted in 1985 by the Council of Europe.



In successive General Assemblies the need was repeatedly underlined to allow and to establish the appropriate channels for the participation of local and regional communities. The efforts of CEMR in this regard, together with those of other entities – especially of the Assembly of European Regions (AER) and of the International Union of Local Authorities (IULA) – came to fruition in 1984 in the resolution by the European Parliament in which the need for the Commission to consult with regional and local authorities is highlighted. Two years later, in the Assembly of the CEMR, the official status of a Consultative Committee of Local and Regional Institutions is demanded, which is established two years after this by decision of the European Commission.

In the subsequent General Assemblies the persistence of this organisation's efforts to institutionalise and enhance the channels of participation and consultancy with sub-state entities in Europe are clear. Refusing to give up, the organisation – in its Assembly held in 1990 – once again raises the issue of consultation with the Consultative Committee, in order for it to be broader, obligatory, and to provide it with greater autonomy. It could be said that these demands close the first stage and give way to the second: the institutionalism of European municipalism, of which the major exponent is the Committee of the Regions.

Another European institution, vested with the statute of International Organisation and which has always been especially concerned with local governments, is the Council of Europe, an organisation outside the institutional triangle that makes up the European Union, which aims to further democracy and to protect human rights and the rule of law in Europe. The Council was created in 1948 as a space for intergovern-

mental cooperation and, despite being an Organisation with little capacity for political influence, it has gained substantial prestige as the forerunner of innovative initiatives with strict content that served to open up processes that have contributed to the evolution of Europe.

The Council has always recognised the key relevance of local democracy at a European level. As early as 1957, the Conference of Local Authorities of Europe was created, the main achievement of which was the drafting of the abovementioned European Charter of Local Autonomy. In 1994 the conference was replaced by the Congress of Local and Regional Authorities, which became a consultative body of the Council of Europe. The Congress is a political assembly made up of local and regional authorities with electoral mandate, the members of which represent some 200,000 European regions and municipalities. Despite its debatable political influence, it represents a useful forum for dialogue and debate on common problems.

“Democracy starts in the towns and cities of Europe. There can be no democracy without local democracy”.²⁰

In the middle of the 1980s other entities appeared grouping sub-state governments, among which it is worth mentioning the AER, established in 1985, exclusively focused on regional governments. The Association is defined as the voice of the regions before European and international institutions in all spheres affecting regional competences. Currently, the AER has 250 members and promotes subsidiarity and regional democracy.

Soon after, in 1986, Eurocities – a platform that encompasses the major European cities – was created, “aiming to establish a productive dialogue with Community institutions and to defend the interests of

the European urban territories”. Eurocities, the members of which include 130 big cities of over 30 countries, has a strong internal structure which enables it, together with the CEMR, to be one of the local government platforms most represented in the European forums, particularly in the areas of culture, environment, social cooperation and those concerning the information society.

3.2. The second stage: European municipalism in the political integration process in Europe

As stated above, the Intergovernmental Conference²¹ which gave rise to the Maastricht Treaty dealt for the first time with the participation of regional and local entities as a mechanism for strengthening and completing European Union democratic legitimacy. The Treaty suggests the establishment of a consultative institution – the Committee of the Regions – to promote the participation of sub-state governments in the development of certain Community policies, and expressly introduces the principle of subsidiarity, based on which decisions need to be taken as close to the citizens as possible. These new elements represent clear proof of the intention expressed in the Treaty to start the route that leads to the political integration process. Proximity governments need to be the essential actors in this political space which Europe is intended to be turned into; they need and want to participate actively in the process of elaboration of European policies which affect and have a bearing on the development of their competences.

This is why, as from the 90s, a large number of platforms start to appear encompassing local and regional governments. These platforms respond to various interests and necessities, and are established with different purposes and in different forms. It may

be stated that most of them have a double intention:

- To facilitate spaces for cooperation allowing for the exchange of experiences, the transfer of knowledge and the development of shared actions; and
- To establish joint strategies for the defence of common interests, and to have an influence on the agendas of Community Institutions and, in passing, on those of the Member States.

These platforms – which respond to various interests and needs – represent frameworks of preferential relationships as well as spaces for the internationalisation of local and regional government actions. In this regard, two major types of platform can be distinguished: those that are established with a generalist profile and those that follow sectorial interests.

3.2.1. Generalist platforms

The main platforms usually develop their activity in all spheres of competence related to regional and/or local governments. There are platforms, like CEMR, which are open to all local and regional governments of Europe regardless of their size; and others which are restricted to the participation of certain types of sub-state governments, like AER, open only to regions,²² Eurocities, open to the major European cities, Eurotowns,²³ representing European middle-sized cities, or Partenalia,²⁴ only open to supra-municipal local governments.²⁵

²⁰Giovanni Di Stasi, *President of the Congress of Local and Regional Authorities of the Council of Europe*.

²¹*Intergovernmental Conference on Political Union held in 1990*.

²²*Which in EU statistical nomenclature are known as the NUTS II territories*.

²³www.eurotowns.org

²⁴www.partenalia.net

²⁵*Which in EU statistical nomenclature are known as the NUTS III territories*.



We find in this sphere another interesting typology which could be defined as “transnational platforms of a territorial nature”. In this framework we can also distinguish those which cover a specific geographical space, a set of continuous territories, and those which cover a specific type of space. In this last group we find very interesting experiences that stand out for their dynamism and their capacity for impact, like the Conference of Peripheral Maritime Regions²⁶ (CPMR), the Association of European Border Regions²⁷ (AEBR) or the Euromontana Association,²⁸ which joins together European mountainous territories.

Regarding the first type mentioned, following the guidelines established in the European Territorial Strategy²⁹ there two other types of platform emerge: Euroregions and Euroterritories. Euroregions are platforms operating in a cross-border space, where the interests of operators linked by relationships of clear interdependency and proximity meet. Some interesting examples are the Pyrenees-Mediterranean Euroregion,³⁰ the Rhein-Waal Euroregion,³¹ the Tyrol Euroregion³² or the Comunidade de Trabalho Região Norte do Portugal-Galicia.³³

With regard to the “Euroterritories”,³⁴ these are defined by geographical continuity, although proximity is not a determining factor, by their polycentric configuration and by the confluence of interests. In this case, territories are not so closely interrelated as in the case of Euroregions. There are examples like the Latin Arch,³⁵ which constitutes a Euro-Mediterranean space for cooperation which encompasses European territories of the western Mediterranean, the Committee of the Atlantic Arch,³⁶ an entity originating from one of the commissions of the Conference of Peripheral Maritime Regions (CPMR), or the Union of Baltic Cities,³⁷ es-

tablished in 1991, which represents over 100 cities of this region.

3.2.2. Sectorial platforms

Sectorial platforms generally respond to specific interests related to a sector of activity relevant to the territories and Institutions which are a part of it. These types of platforms have proliferated in Europe and some have become true interlocutors of the Community Institutions and of the Member States when developing their political action.

They usually constitute lobbies aiming to contribute, to defend their interests and to have a positive influence on the policy-makers in charge of drawing up and executing European Union policies. The complex institutional fabric of the European Union makes them work mostly in proximity to the Commission, an institution with initiative power, but without neglecting those who have legislative power, that is, the Council and the Member States, as well as the European Parliament.

²⁶www.crpm.org

²⁷www.aebr.net

²⁸www.euromontana.org

²⁹European Territorial Strategy identifies 4 main objectives: a) to favour the emergence of motor territories to set Europe up in the world economy, integrating the whole European space; b) to avoid the concentration of wealth in certain privileged territories, thus creating dangerous imbalances for the European space; c) to control the effectiveness of sectorial policies in the relevant territories; and d) to accomplish the economic integration of the neighbouring (eastern) and southern states.

³⁰www.euroregion-epm.org

³¹www.euregio.org

³²www.europaregion.info

³³www.galicia-nortept.org

³⁴According to ETE it could be said that a EURO TERRITORY is a dynamic space or a space that can generate dynamisms to favour integration into the world economy; aside from acting as a zone of influence to improve European territorial balance.

³⁵www.arcolatino.org

³⁶www.arcatlantique.org

³⁷www.ubc.net

These groups are not only instruments of political pressure, but they also represent appropriate spaces for the exchange of experiences and transfer of knowledge and good practices. They generally offer their associates services connected to obtaining Community resources, proposing transnational projects in very different spheres.

Together with the efforts of decentralisation processes and the empowerment of proximity governments, more and more platforms are appearing that operate in the most diverse spheres. These platforms could be grouped into three spheres: those of an economic nature, those dealing with protection of the environment and those framed in the sphere of citizenship.

The first group includes quite significant lobbies: those defending regional interests with strong industrial tradition, like EIRA, European Industrial Regions Association,³⁸ or ACTE, European Textile Collectivities Association,³⁹ a network of territorial communities strongly dependent on the textile sector. The role played by the latter in the current crisis in the European textile industry, mostly brought about by the elimination of import quotas on textile products as from 1 January 2005, is worth highlighting. There is also a network of wine cities,⁴⁰ a network of territories particularly engaged in the production of olive oil, as well as another network that is characterised by its fishing sector.

We could also include in this first group the technological lobbies searching for the appropriate circumstances for the transfer of innovation to the territories and to promote technological development and research throughout the Union. Thanks to the lobby exercised by these groups, the Union's Master Plan for Research and Technological Development is no longer exclusively aimed universities, research centres or companies, but it also includes terri-

torial communities as end users of technologies. We find an interesting example in Telecities,⁴¹ a platform born from within Eurocities with the intention of dealing with issues connected to the Information Society.

In the area of environmental protection and fostering sustainability, experiences are also varied. ICLEI-Local Governments for Sustainability⁴² stands out among these. This body was founded in 1990 in the belief that initiatives created at local levels of public administrations can provide highly efficient perspectives which may be applied at national and global level. It is also worth mentioning the tasks carried out by another network stemming from Eurocities, Energie-Cités,⁴³ established to value the strategic role played by European local authorities in the field of energy, taking into consideration the fact that 75% of these resources are consumed at urban level. This association has 110 members, and actively participates in the Union's energy and environmental policies.

Finally, in terms of the sphere of policies on citizenship promotion, there are interesting platforms like REVES,⁴⁴ the European Network of Cities and Regions for the Social Economy, created in 1997 in order to promote local development and fight against social exclusion at the European level, combining the interests of local authorities and those of social actors. The Sigma network, which fosters cultural proximity policies, and the ERLAI network,⁴⁵ which works to provide territorial governments with instruments to help them confront the neces-

³⁸http://europa.eu.int/comm/regional_policy/consultation/territorial/eira_presentation.pdf

³⁹www.acte.net

⁴⁰www.recevin.org

⁴¹www.telecities.org

⁴²www.iclei-europe.org

⁴³www.energie-cites.org

⁴⁴www.revesnetwork.net

⁴⁵www.emiliaromagnasociale.it/wcm/emiliaromagnasociale/home/immigrazione/erlai.htm

sary integration process of immigrants in Europe, are also worth mentioning. There are indeed a fantastic variety of experiences, more or less renowned, but all of them generating spaces which clearly show the high vitality and dynamism of European sub-state governments and their will to influence the European construction process, aware that a Brussels decision will clearly have an impact on the development of their responsibilities.

4. The Committee of the Regions

The creation of the Committee of the Regions, the foundations of which were laid in 1992 in the Maastricht Treaty, responds to the need to balance the European democratic deficit. It was a decisive step forward in the process of inclusion of sub-state entities in the European construction process.

As a consultative body, the Committee is the voice of regional and local communities in the elaboration process of Community decisions. In 1994 this institution became a political assembly aiming to respond to two realities: on the one hand, the need for sub-state governments to participate in the elaboration of Community legislation, taking into account that 70% of this is applied at local and regional level (Goergen 2004: 11). On the other hand, it was a response to the clear need of bringing the EU closer to its citizens.

This consultative body has the power to be heard by the European Council and Commission in matters essential to its members, which are municipally or regionally elected. At first, the Committee had 189 representatives from local and regional governments. The Maastricht Treaty provided five spheres of compulsory consultation: social and economic cohesion, trans-European networks, health, education and culture.

Upon Sweden, Austria and Finland joining the EU, the number of members increased to 222. Then, the Treaty of Amsterdam granted the Committee the status of “independent entity” from the rest of European institutions, and raised to 10 the number of issues to be consulted, adding the following to those established in Maas-tricht: employment, social policy, environment, professional training and transport.

Currently the Committee of the Regions has 350 members, a limit established by the Treaty of Nice, and is governed by three basic principles: subsidiarity, proximity and association. The work of the Committee of the Regions is carried out through six specialised commissions directed by a presidency which changes every two years; these commissions relate to the following topics: territorial cohesion policy, social and economic policy, culture and education, constitutional affairs and European governance external affairs. These commissions assess proposals when the Committee is consulted and they draft a communication proposal which, once approved, becomes an official communication of the Institution.

The Committee of the Regions has turned into a body which controls the application of the principle of subsidiarity, and works for the promotion of the “bottom up” approach in the European system. Despite the progresses made, the impact of this body is still quite limited. Although it has enhanced its position throughout its twelve years of existence (more consultation rights, separation from the Economic and Social Committee, demand of political mandate for achieving member status, among others, its capacity for influence on EU policies is still rather scarce.

At present, the Committee is engaged in obtaining the status of European institution, in achieving active legitimacy to lodge appeals

before the European court of Justice and in consolidating its role as political instance for regions and municipalities. Already in the past presidential period 2004-2006, it underlined as a priority the reinforcement of its role as a political body. Nevertheless, considering that this ambitious objective is rather unlikely, the Institution is trying to increase its impact by means of other mechanisms.

Its new strategy includes a policy of opening up to the regional representation offices located in Brussels and an intensification of coordination with these representations. This new approach is already in place in the Committee's daily operation, as before each plenary session an information meeting is organised for the new representations, in which the agenda, amendments, investments plan and all aspects relevant to these areas are dealt with.

Following this strategy, for the last two years the Committee has been organising a huge public relations operation known as Open Days in which local and regional offices in Brussels organise seminars and conferences on issues particularly relating to a local and regional perspective. This activity promotes interaction between regional offices and makes them visible at the heart of the European forums. Evidence of the value added involved in this event is the massive participation achieved in 2005, which doubled that of 2004.

Currently, the role of the Committee has consolidated its activity thanks to the dialogue structured with European and regional associations, which has been established as a direct consultancy channel to local and regional authorities. The Committee acts as intermediary with the Commission, proposing the list of associations invited to participate in the public audiences and organising the logistics of these dialogues, as well as collaborating in the definition of the issues to be dealt with.

5. Participation of sub-state governments in Community policies

Despite being defined as an international body, due to its original and innovative configuration, the European Union resembles more a State of States with two major instruments to develop its policies: legislative capacity and budget.

The Community institutional fabric was designed to reserve the legislative capacity for the states through the Council. Gradually this exclusivity has been reduced, giving greater leadership to other institutions such as the European Parliament, which has gained more relevance through its legislative capacity. Giving a wider presence to the Parliament entails giving greater power to citizens, which has reinforced the democratic legitimacy of the Union.

In this same respect, the consultative bodies – the Economic and Social Committee and, specifically, the Committee of the Regions – have had their competences reinforced. This can be illustrated in the case of the latter, which shall use its institutional status as well as its active legitimacy for the first time to lodge appeals before the European Court of Justice if the European Constitution is approved.

Similarly, the Maastricht Treaty opens up the possibility to regions with legislative capacity to participate in meetings of the Council when matters within their competence are to be dealt with. This possibility, implemented by the European federal states,⁴⁶ also represents a way to bring decision-making to the government levels that are closest to the citizenship, and to reinforce the idea of “European good government”.

In this regard, and based on the White Paper on European Governance, the Union

⁴⁶Germany, Belgium, Austria, Spain



has designed all kinds of mechanisms intended to guarantee and promote the participation of the different operators involved in the development of Community policies. And, obviously, sub-state governments participate actively in this way of understanding new European governance.

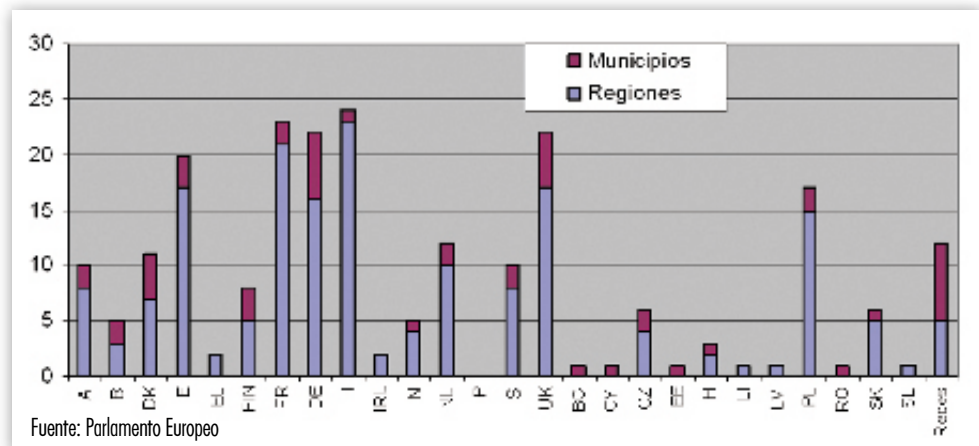
The budget is a first class political tool. The European Union has developed – through its executive – an interesting series of financial programmes which serve to develop the policies established in the Treaties. It is a system made up of significant and effective instruments, such as the Structural and Cohesion Funds, but also of minor programmes that are of major relevance, as they enable the Union to act in very different spheres, thus broadening the scope of its political action and helping to consolidate the process of its construction.

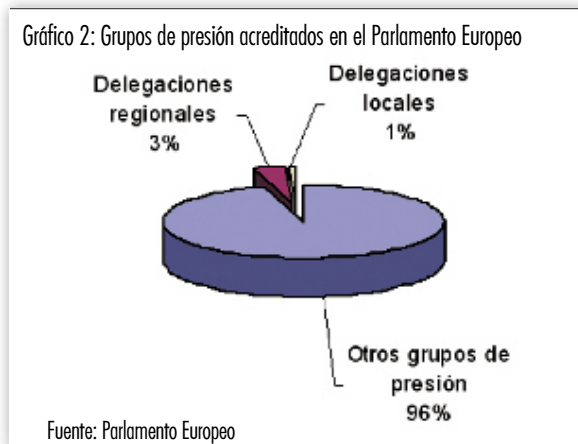
Here it is worth underlining Europe's political commitment to the trans-nationality of its programmes, which has led to a culture of partnership, to networking, helping to weave a huge web of operators from different territories who work together in the development of strategies connected to European growth. It is a very clever way of further constructing Europe.

Now, territorial operators, sub-state governments, have shown a great dynamism and interest in the programmes launched by the European Union. This fact has allowed them not only to finance significant actions for their territories and participate in working environments which provide them with new experiences and knowledge, but also to participate more actively in the European construction process and to develop mechanisms capable of influencing those Community policies that affect them.

The presence of regional and local government representation offices in Brussels constitutes an interesting indicator to be taken into account in order to measure the level of involvement of sub-state governments in the definition and development of European policies. Currently, the European Parliament has a total of 215 regional and local offices which are part of the over 4,000 lobbies listed in its database. In terms of size and representativeness, regional offices constitute the predominant group – 143 – compared to the 38 local offices. However, the number of delegations and associations of local governments increases year by year.

Gráfico 1: Oficinas regionales y locales acreditadas en el Parlamento Europeo





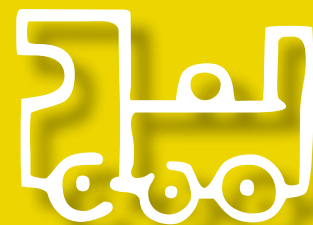
5.1. The new European governance

The higher permeability detected in Community institutions as from the 1990s is not just the consequence of an intention or a political need to progress towards a system with higher democratic legitimacy. Fundamentally, it stems from the significant decentralisation process in which Europe is currently immersed and which means that regions and local governments have with more competences, greater capacity for action and, essentially, more capacity to affect and influence. The above leads to the opening of different spaces for sub-state governments to actively participate in drawing up Union policies. As stated above, the Maastricht Treaty includes significant advances which should serve to formalise the higher presence of proximity governments.

The relevance of the creation of the Committee of the Regions is more formal than effective. Its competences are restricted, though they are developing as time goes by. Its main virtue lies in the fact that it is a space for the representation of sub-state governments, and for guaranteeing the application of the principle of subsidiarity.

It is also worth underlining the possibility opened up by the Treaty in terms of allowing the participation of regional representatives in Council meetings when issues related to their competences are to be dealt with. This possibility has been used by those states which have regions with legislative capacity, like Germany, Austria, Belgium and recently by Spain and even the United Kingdom, based on the constitutional structure of each of them. Each state determines the system of selection of their regional representatives who usually accompany the central government representative, generally a Minister. In the Spanish case, determination of the Autonomous Community representative takes place within the framework of the “Sectorial Conferences”.

This possibility places the so-called regions with legislative capacity in a superior position with regard to the other regions and, above all, with regard to local governments which, aside from their minority presence in the Committee of the Regions, have no formal spaces to communicate their stances to Community institutions. Now, the urban question occupies an increasingly relevant position within the framework of different Community policies, such as those concerning social and economic cohesion, the environment, energy or transportation. A very significant proportion of European citizens live in cities, and what happens inside the cities is of strategic relevance for the Union’s balanced development and balanced. Therefore, a complex system of informal participation is progressively being established based on the different lobbies created, thus allowing Community institutions – and in particular, the European Commission – to incorporate the opinion of local governments, their needs and concerns into the process of elaboration of their different policies created.



In the year 2000, the European Commission acknowledged the reform of European governance as one of its strategic targets. This reform is motivated by the need to find an answer to a paradox: the citizens' demand that the European and state institutions solve the main problems that society faces, together with the increasing distrust and lack of interest of the European people for the institutions and politics.

Furthermore, the overall impression of the lack of capacity of the EU to solve its people's actual problems, motivated in part by the lack of knowledge concerning the way the European system functions, brought about the "no" in the Irish referendum, reinforcing the need to try to connect to Europe. Governance reform became concrete with the publication of the White Paper on European Governance in 2001, the launch of which represented a significant step towards the acknowledgement of the role played by local and regional entities in Europe's good functioning.

The White Paper tries to approach citizens through local and regional democracy, acknowledging the need to provide more transparency of the policy-making process in order to achieve the greater involvement of local and regional governments in the definition process of Community policies. The document suggests the establishment of a systematic dialogue with the representatives of local and regional governments through European and national associations on the drawing up of Community policies.

The document also demands the greater involvement of European institutions and higher flexibility in order to ensure a "bottom-up" approach in drawing up Community policies. This entails providing sub-state operators with updated information on the drafting of different policies in all the phases of the decision-making process, and to establish

a permanent dialogue with them. On the other hand it also includes an improvement of the regulations based on the acceleration and simplification of the legislative process.

Despite the fact that the document recognises the national governments of each Member State to be the main entities responsible for ensuring the involvement of local governments in Community policies, the White Paper represents the starting point of a Community process to reinforce the role of local bodies in the decision-making processes.

In 2004, the European Commission put into practice a system of Structured Dialogues with the Associations of Local and Regional Governments, which are the outcome of the White Paper commitment, and which imply a significant reinforcement of the role played by the Committee of the Regions. These dialogues with the Associations have two objectives: to enhance European legislation, incorporating the perspective of regional and local entities, and to bring the European construction process closer to the citizens of Europe, improving the understanding of the European guidelines.

The promotion of a space for participation and for seeking consensus with sub-state governments is not only a cosmetic operation; it is a necessary opening. This is evidenced by the fact that, in parallel with this structured system, the European Commission has established other consultation systems for territorial operators. So, through more or less formal systems, the Commission consults with, and is permeable to the stances of different platforms for sub-state governments. Knowing these stances is essential for the Commission to adapt its policies as much as possible to Europe's real needs, making them closer and more efficient.

5.2. Financial instruments as a mechanism for further participation

The budget represents a political instrument of the first magnitude. To develop its policies, the European Union has different financial programmes open to the participation of different operators as a mechanism for achieving a higher impact and effect. Access of sub-state governments to the European Union financial instruments has undoubtedly contributed to generating interest in Community policies, and encouraging their participation in the decision-making process within the framework of these policies. This is particularly relevant if we take into account that over 70 per cent of Community legislation is applied, considering the level of decentralisation of most EU States, at regional and local scale.

Of the different Community policies, the one that leads to most interest and participation is economic and social cohesion policy. This policy has the main purpose of reducing the development differences that exist between the different European regions, trying to achieve appropriate levels of convergence targeting a higher growth rate. This aim – essential for the Union from its inception – calls for an economic contribution of above one third of the current EU budget.

In the late 1980s the regulations regarding the Structural Funds incorporated the principle of cooperation. The programming of interventions should be carried out in close cooperation with the European Commission and the group of competent public authorities in each Member State, designated by the central government. This has led regions and – to a lesser extent – local governments to be the main protagonists of such policy, and to participate not only in the programming and execution of the

funds but also in defining the strategic lines they follow.

Access to Structural Funds has had many benefits for sub-state governments. On the one hand, access to such financing has enabled the poorest regions to gradually approach the Community average in terms of development and wealth (though it must also be stated that the richest regions are increasingly rich, and further from the average). On the other hand, as noted above, they are able to take part in the programming, execution, monitoring and assessment of financed initiatives. That is, in one of the most important EU policies, the need is clear to set mechanisms to seek consensus at all government levels.

In addition to this, the Structural Funds have served to create a new culture in the relationship between the entities involved in regional and local development. Some instruments have been set up in order to generate spaces for exchange, thus giving rise to the transfer of knowledge and the implementation of new development methodologies in quite different areas which, by the multiplying effect on a Community scale, have resulted in increased cohesion.

In 1989 the Interreg Community Initiative (1989-1993) was founded, which was focused on supporting actions in border regions.⁴⁷ It was intended to promote initiatives presented by entities from both sides of the border which would serve to further the joint development of traditionally depressed and outlying territories. This initiative has evolved with the passing of time, and it became an impressive instrument with regard to the effective application of the principle of subsidiarity in attaining the objective of social and economic cohesion.

⁴⁷See map 1 of Annex 1



In the consecutive periods of programming of the Structural Funds – 1994-1999 and 2000-2006 – the Initiative has evolved to encompass other forms of territorial cooperation. This is the case of “transnational cooperation” involving national, regional and local authorities in the promotion of higher integration in the Union by means of establishing large groups of European regions to confront common problems. On the other hand there is “interregional cooperation” which aims at enhancing the effectiveness of policies and instruments of regional development and cohesion through networking, especially with regard to the least-developed regions or those in a phase of restructuring.

Clear evidence of the value of this initiative, as well as of the relationship between territorial cooperation and cohesion, lies in the definition of new financial perspectives for the 2007-2013 term, which include territorial cooperation as one of the three targets of territorial, social and economic cohesion policy.

As we have already seen, the appearance of the Interreg initiative, as well as the initiatives centred around other European interest fields emerging during different programming periods of the Structural Funds, coincide with the beginning of the opening of Community policies to sub-state governments which takes place in the 90s.

In this regard we ought to mention that in the framework of almost all policies developed by Brussels with territorial influence, there are certain financial instruments to which sub-state governments have access. Today it is difficult to think along financial lines (they are exceptional and progressively residuary) which are not

of interest to this type of government, from foreign action – with decentralised cooperation support programmes – to the different Master Plans for Technological Research and Development, including programmes in the areas of energy or the environment, or those developed in the field of education, professional training, employment or the integration of immigrants.

6. Conclusions

The participation of sub-state governments in the European construction process is a live and dynamic reality with the same originality and innovation as the Community process itself. There is no other integration effort in the world with so much active participation of this type of governments.

However, the European integration process is clearly marked by central governments. In the earliest stage, states exercised an almost exclusive monopoly, being impermeable to and insensitive towards other operators, whether public or private. Even the policy that concerns territorial governments most – regional policy – did not start to propose systems of participation to regions and local administrations until the end of the 1980s..

This first stage comes concurrently with the economic integration period. The Community project focused on the creation of a wide common market and the so-called solidarity funds were established to prevent development disparities that existed among the European regions from representing a hindrance. This stage also coincides with the establishment of the main municipalist movements in Europe. The Council of European Municipalities and Regions and the Council of Local and Regional Authorities

of the Council of Europe articulate strategies to accomplish a higher recognition of the role to be played by sub-state governments and make significant progress, like the recognition of the principle of local autonomy. However, at this stage there were no mechanisms to enable the participation of proximity governments in Community policies.

Through the Maastricht Treaty and the commencement of an incipient political integration process, the European Union was trying to find mechanisms to achieve greater democratic legitimacy, looking for spaces for consensus with local and regional governments. The Intergovernmental Conference that the Maastricht Treaty provides for looks for the input of sub-state governments in order to find out how the Treaty can meet their expectations. Consequently, the Treaty introduces significant elements, such as the creation of the Committee of the Regions, the formalisation of economic and social cohesion policy, which includes regional policy, and the definition of the principle of subsidiarity which states that decisions need to be made as close to the citizens as possible. In parallel, financial instruments designed within the framework of the majority of Community policies are open to a wide range of operators, particularly sub-state governments. The principle of cooperation is included in the regulations which provide for the functioning of the Structural Funds, that is, the need to find consensus between the European Commission and local, regional and state authorities in the definition, execution, monitoring and assessment of financed actions.

Access to financing has clearly contributed to encouraging the participation of a wide range of actors in Community policies and in the European construction process. A

closely-woven fabric of operators has been created, in which they interrelate, exchange experiences, transfer knowledge, articulate joint initiatives and define strategies to defend their interests. Sub-state governments have undertaken a clear leadership role in this sphere.

This phase is concurrent with the rise of the decentralisation process in most Member States of the Union. What in many countries is known as the devolution process provides sub-state governments, particularly regional governments, with broad competences, a high capacity for action and a significant power of influence. Regions, particularly in federal countries, have a considerable budgetary capacity and, in some cases, even have legislative capacity. And local governments also have important competences and, depending on the country, a significant expenditure capacity.⁴⁸

Maastricht incorporates three major advances which lead to the increased presence of sub-state governments in European construction. The importance of the emergence of the Committee of the Regions is more symbolic than real, as it has very restricted competences, it is limited to the consultative sphere, and its stances hardly have any influence. Yet its mere existence as a space for the representation of sub-state governments is crucial. All indications are that it will progressively gain relevance, as shown by the fact that the European Constitution conferred institutional rank on it and empowered it to stand before the European Court of Justice as a guarantee of the principle of subsidiarity.

The definition of this principle has been fundamental, not only because it de-

⁴⁸In Scandinavian countries, local governments manage over 30 percent of public expenditure



marcates the actions of Community Institutions, but also because it has helped to reinforce decentralisation processes in most of the Member States. It has contributed to consolidating in Europe the doctrine that states that competences, as far as possible, need to be given to governments that are close to the citizens. It has helped to rationalise the relationships between local, regional and central governments, and between all of them and the Community institutions. Consequently, the principle of local and regional autonomy has been recognised in the articles of the new European Constitution.

Finally, it is worth mentioning the possibility that the regions – when the Member States in which they are located deem it appropriate – take part in meetings of the Council of Ministers of the European Union, so long as matters of their competence are to be dealt with. In this regard, Belgian regions, German and Austrian Länder and Spanish Autonomous Communities regularly take part in Council meetings (each state has established systems to determine which region represents the others and accompanies the acting Minister).

This is a great advance that significantly reinforces the presence of sub-state governments in the elaboration of Community policies. It also clearly shows that, nowadays, the participation of local governments and regional governments follow different logics: regions have a high capacity for influence and an increasingly-recognised presence as important interlocutors, while local governments have more difficulties.

Despite these imbalances, the urban issue is gaining strength on the Community agenda. It is certain that participation in the development of cities is fundamental in order to have a bearing on the major target represented by social and economic cohe-

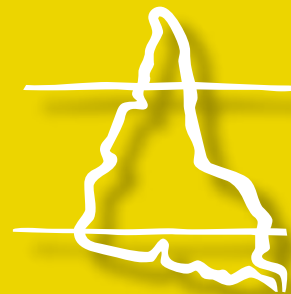
sion. Most European people live in cities, where wealth – and its generating centres – is concentrated, but also where some of the continent's major problems are to be found. As a consequence of all of this, the European Union has opened up its main policies to the cities and their governments; and not only by way of access to financing, but also by setting up systems for governments to participate in the process of the construction of Community policies.

Thus, from the early 1990s, simultaneously with the launch of the political integration process, there is a proliferation of platforms of local governments, created as spaces for the defence of shared interests by means of the definition of strategies to influence the construction process of the Union's policies. Conscious of this reality, the European Commission – an institution with capacity of initiative in the elaboration of Community policies – has established a whole set of formal and informal channels for relations with local governments. The most noteworthy of these are the Structured Dialogues with the Association of Local and Regional Governments, a formal system of consultation with associations and platforms of local and regional governments sponsored by the Commission and by the Committee of the Regions in the framework of the strategies defined in the White Paper on European Governance.

There is still a long way to go, but Europe is gradually advancing towards a system which will enable the greater presence of sub-state governments. It is a question of the need to progress towards greater democratic legitimacy for the European project. But, above all, it is an outright necessity if effective policies are to be developed which respond to the real problems of the citizens of Europe.

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Regional Integration Processes

The Southern Cone: Cooperation and integration at local level

KEY WORDS

*Development |
Integration |
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This article is restricted to the study of the Southern Cone of South America, geographically consisting of the area occupied by Argentina, Uruguay, Paraguay, Brazil and Chile, and where historical processes have taken place since the 1980s led by various state and local actors in the search for the development of their respective territories and inhabitants. These states have been involved, with greater and lesser autonomy, in integration and cooperation initiatives.

These processes – in essence, cooperation processes looking for integration for development – have been influenced by certain global economic, political and social conditions which have contextualised their evolution. This will be the element discussed in the first section of this study. In essence, integration initiatives correspond to a model of cooperation and a vision of development. The article states that in the Southern Cone there is high potential – which lies in local actors – for the defence of the validity of the current integration project, but simultaneously, for its urgent transformation into a more democratic, fair and sustainable model for all its members. The approach of decentralised cooperation, as a new political focus for development cooperation that is more in keeping with the circumstances in the region and in the framework of its political relationship with the countries of Europe, is believed to be particularly relevant for the accomplishment of this objective.

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1. Introduction

The most complete, concrete and mobilising objective for human societies is the achievement of development goals. Throughout the 20th century post-war period until today, the noun “development” has had several qualifying adjectives: human development, sustainable development, economic development, integral development, dependent development, unequal development. In itself, it has been used as a synonym for progress, growth, wealth or evolution.

Obviously, the use of each concept responds to a characterisation of the phenomenon, to the aspects regarded as essential, to the goals to be accomplished and, in short, to a complex web of variables chosen to get as close as possible to its definition. Undoubtedly, this selection is driven by the specific point of view of its insertion in the “world of life” of the individual who uses it, whether this is a researcher, a politician, a public officer, an economic agent or an ordinary citizen.

This study does not intend to go deeper into academic disquisitions on the matter, or even to carry out a general review of its application in various contexts, but rather to use it as a central point for a set of other concepts connected to social, economic, cultural and historical processes, which are the subject matter of this article. These processes, which are geographically located in the Southern Cone, have been triggered by the will of the actors in certain historical and political conditions, who, in their quest for development, have been involved more or less autonomously in cooperation and integration initiatives. They are principally development actors, and have been state, local or private actors. We are particularly interested in local development actors.

This article consists of three parts or chapters: the first includes a contextual review of development cooperation, aiming to demonstrate that to each development strategy involving those countries which hold international power – or “developed” countries – corresponds a cooperation pattern based on its particular position in the international order. Similarly, the way in which the least powerful – or “developing” – countries have responded, adapted to or resisted these strategies responds, likewise, to their own political trends of development and insertion in that same international order. So quite different stages have existed, from the unilateral “aid” model in the “donor-recipient” scheme of the post-war period, to that of cooperation between partners in the period of crisis and unsuccessful adjustments; from the different versions of the centralist model to those of the decentralised scheme.

This article stresses the idea that cooperation in the international sphere always takes place in the context of governments’ international policies. Therefore, both the forms of cooperation chosen by donor countries and the decisions of those receiving it or with whom it is to be exchanged, are foreign policy decisions, and are due directly to the interests that each country wants to express in the international arena.

The second chapter introduces the Southern Cone integrationist strategy, as part of the global movement towards the configuration of blocs of countries for commercial and economic ends, and with other broader purposes which, in the search for development goals, respond to a specific vision thereof and to the accumulation of power to intervene in the international order. This analysis is focused on two key experiences in the region: from the states, MERCOSUR, and from the cities, Mercocities, and it



intends to demonstrate the high potential of local actors for the defence of the integration project, and for its transformation into a more democratic, fair and sustainable model for all of its members.

Lastly, by way of conclusion, the third section tries to connect the elements presented in the first two sections from the particular viewpoint of decentralised cooperation as a new political approach to development cooperation in the current circumstances prevailing in the region, and in the broadest framework of its relationship with the countries of Europe. Most of the boost presently needed in the region for an advantageous repositioning in the international scenario depends on the appropriate approach to and further implementation of the policies promoted within this relationship

2. Cooperation and development

International cooperation can only be understood as an integral part of the foreign policy of a country or group of countries. Therefore, the concept or use of the term development cooperation has evolved and broadened, due to the increasing complexity of international relations in which political, economic and security interests interrelate with assistance, solidarity and even commercial promotion elements.

In its most traditional meaning, taken as an activity related to the exchange or transfer of resources – by way of concession – from one country to another, it is associated with “development assistance” and it has been strongly politically driven towards the geographical areas of influence of the donor countries.

Some experts on the subject – like Rafael Grasa – situate the origins of the first transfers of resources within the internatio-

nal system after the second world war. These were mainly motivated by the need of the United States – later taken up by the rest of the Western developed countries – to politically contain the influence of the Soviet Union in large geographical areas of strategic interest. (Grasa 1992: 182-194).

2.1. Recomposition in the North and modernisation in the South

The Great Depression of 1929, the victory of the Socialist revolution in Russia and the two world wars were the milestones that revealed the exhaustion of a stage of the capitalist system and the commencement of another that was to be considerably more devastating, marked by the predominance of monopolist financial capital which provided new foundations for the imperialist relationships that persisted as the international pattern of coexistence among the countries.

The United States consolidated its status as a hegemonic power. This consolidation followed a double route: it included the recomposition of the bloc of capitalist countries through plans to restore their devastated economies, so that they became partners but with less power, leading to the creation of the bloc of Western capitalist countries face to face with the Soviet Union, the socialist giant of the east whose power extended not only to eastern Europe but also to China and Korea; and, on the other hand, it sought to guarantee the supply of raw material and energy resources in the economies of the dependent countries, which included the former colonies of the disintegrated European empires.

To fulfil this double objective, the United States implemented the Marshall Plan in order to recompose the capitalist bloc and the Alliance for Progress for the domination of

the underdeveloped countries. It is in this period that Official Development Assistance was created, inspired by these interests from the very beginning. The assistance made available in the renowned Marshall Plan had the clear objective of the economic unification of capitalist countries. Quoting Griffin, “external aid is a result of the Cold War, of the division of the planet into first, second and third worlds and of the hostility of both superpowers”.¹

In political terms, this first stage of North-South cooperation is strongly marked by the “Cold War” in which the major powers try to secure their areas of influence. In economic terms, emphasis is placed on the huge rise in commercial exchange levels. Most of all, developed countries tried to guarantee their supplies of raw material which – to a large extent – come from the underdeveloped world.

These cooperation plans found good basis in one of the development theories of economist Walt Whitman Rostow. This author and his theories on the modernisation of backward countries dominated the official intellectual environment of the time (Rostow 1961).

In essence, it dealt with the belief that in the most backward countries there were certain structural obstacles that prevented them from gaining access by their own means to a process of development. Issues like health, education, agricultural backwardness and the lack of basic infrastructure conditions were regarded as obstacles to development, something that international cooperation (understood as development assistance) could help to remove.

The initiative Alliance for Progress, launched by President John F. Kennedy when the Cold War was at its peak in 1961, was conceived as a 10-year plan to help to solve the basic needs of the Latin American peoples in exchange for their political loyalty to

the United States in its crusade against expansionist Communism.

Then, in the 1970s and 1980s, the National Security Doctrine emerged, to consolidate these values and to justify the establishment of military dictatorships in Latin America with North American support; in this context, development assistance had clear political-ideological motivations.

It is also interesting to see that, during this stage, North-South development cooperation was hegemonised by the United States and the multilateral agencies under its control were always prioritised; and it contributed fundamentally to supporting and invigorating central States.

2.2. International asymmetries and dependence

Strong criticism was raised from various spheres against modernisation theory throughout the 60s and 70s. Basically, it was pointed out that: firstly, development is not necessarily unidirectional (modernisation theory is ethnocentric from this perspective, as Western developed countries – Europe and North America – are taken as examples to imitate); secondly, the perspective of modernisation shows only ONE development model – that of the United States and Europe; thirdly, the suggested elimination of traditional values and practices of developing countries – which signify an obstacle to modernisation – represents an affront to cultural diversity, and is conducive to cultural dominance by the developed countries.

The main theory criticising and opposing modernisation theory was dependency theory, the most representative exponent of which was Raúl Prebisch, a pioneer in this perspective within the core of the Economic Commission for Latin American (CEPAL). Prebisch stated

¹Quoted in Grasa (1992).



that the dynamics of the developing countries cannot be analysed independently of their position within the world economy. Their development processes are qualitatively different to those of the more developed nations. In particular, this implies that there are no uniform “development stages”, that “late development” – “peripheral capitalism” – has a different dynamic different from that of the nations who experienced earlier development and became the “centre” of the world economy (Ocampo 2001).

Under this vision there lies in the first place the idea of a world economic system that is inherently hierarchised into, “centre-periphery”, or “North-South” if we use the terminology popularised in the debates of the 1970s. The essence of this vision is the emphasis on the basic asymmetries characterising the world economy, and their persistence over time, in contrast with the concept of the world economy as a context of relationships among equals, as a “level playing field”. The asymmetries characterising it tend to create a “divergence” in development levels or, at least, they represent a strong obstacle to the “convergence” implied by the orthodox theories of economic growth. (Ocampo 2001).

Thus, a new vision of the international system and the interrelations between the countries with different development levels, strongly questioned the central assumptions of modernisation theory, supporting a critical stance on the different development cooperation programmes that were so fashionable at that time.

Important representatives of the North American government took note of these questionings and reacted from their particular ideology, as expressed in one of the passages of the speech delivered by the Director of the United States Agency for International Development in 2002, when he mentioned the need to “eliminate the myths” which had pre-

vented greater development assistance in the past four decades. In addition, the Director pointed out that “the ideas and theories that peoples have explain and justify the actions they undertake”.

“The first myth ... Dependency theory argues that poor countries are poor because they are victims of the cowardly greed of rich countries who take advantage of their economic and political weakness to take away their wealth. For a long time, dependency theory has been used by the leaders of some countries as a convenient and dishonest escape from the responsibilities for their misguided economic policy and bad government; if you are a victim you are not responsible for your own failures” (Ocampo 2001).

Among the assumptions of the modernising development concept, the terms “development” and “underdevelopment” appear as opposing and independent realities in which countries identified as “developed” had no responsibility whatsoever for the “underdevelopment” of the other countries, dissociating themselves from the situation. This idea, which also implicitly involves the blaming of the victim, has always conditioned the nature of development cooperation. This reality is accounted for by Rosario Green, former Minister of Foreign Relations of Mexico, in a conference delivered in August, 2002, in the Paraguayan chancellery.

In the Americas, where the most powerful country on Earth is located, there are also major contrasts. There is always somebody who sustains that the economy of the United States has little to do with the socio-economic indicators of Haiti or Nicaragua, for example. But the truth is that in the origins of the disasters of the latter, as in the rest of our countries, the former also has some degree of responsibility. So it is difficult to accept the indifference with which the United States currently regards the outcomes and

extricates itself from any effective obligation in the future, although the official discourse keeps on proposing some kind of continental integration.

“This professed intention was expressed in the past in the famous Alliance for Progress (ALPRO) and is expressed at present in the so-called Free Trade Area of the Americas (FTAA) which, barely three years away from its hypothetical conclusion has not yet been materialised” (Green, no date).

2.3. Emergence of the neoconservative development model

Since the mid-1960s and for the following twenty years the recurring crises, the economic stagnation, the social mobilisations so violently repressed by dictatorial governments which in some cases – like in Argentina – reached genocide proportions, constituted the background to foreign debt, the most delicate problem suffocating the economies of Latin America. Argentina, Brazil and Mexico, just to mention the main economies in the region, had to deal with major internal imbalances as a result of having to pay, on account of interest and debt capital, considerably more than the amount they received as foreign currency from exports.

Nevertheless, it was not good enough to design plans to oblige the debtor nations to pay the interest on their debts as, in order for this to happen, actual growth and savings strategies needed to be drafted. In this framework, statism, the hypertrophied bureaucratic apparatus and nationalisations were doomed, and structural adjustment policies were proposed which cut social spending, liberalised the economies and privatised state and public companies. The private company was the panacea and the central institution of the new “market democracy”² sponsored from the North.

Thus, the Decalogue of the Washington Consensus in 1990 emerged as a solution to

the deterioration in Latin America after the lost decade of the 1980s. Its strategy can be summarised in the policies of the “3 D’s: de-protectionism through the liberalisation of trade, finance and foreign investment; deregulation by means of the liberalising of internal markets and the defence of property rights; denationalisation by means of the privatisation of public companies and reduction of public expenditures” (Villareal 1999). To allow a clearer picture of this strategy, another policy may be added: decentralisation, as in parallel with denationalisation, regional, departmental and local entities gain relevance, and this strengthening – as we will later see – was the target of the cooperation policies of this period, during which time the international regime that institutionally regulates development cooperation was also consolidated.

The ten commandments of the Washington Consensus in the circumstances of the end of the Cold War and the collapse of the Soviet Union expressed the principles of the neoconservative model³ that established the victory of capitalism as the prevailing system, a process known by the name of “globalisation”. Globalisation is the process through which the imperialist USA established its dominance as the leading – though not the only – power. The leading actors in this process are multinational corporations and their need for accumulation.

Above all, globalisation is an economic model that used the strategy of cultural dominance as a spearhead, by means of penetration into the mass media, its main propagandists, in charge of disseminating it on a massive scale throughout the world as the promise of a new, inclusive World Order. For a short time, most

² Rosario Green – quoted in Calloni and Ducrot (2004).

³Roberto Abinzano prefers to call this model “neoconservative”, as the term “neoliberal” is confusing given that liberalism has been a “progressive” trend in many parts of the world and in other times, while the current variant is “regressive” that is, conservative. (Abinzano 2000: 288).



of humanity bought into this illusion which, according to the publicity, would put an end to poverty, would bring about continuous and balanced development and in which, after so much chaos and so many wars in the century up until that time, the values of peace and cooperation would prevail.

The cultural and media battle in Latin America, with the support of converted intellectuals and major communication corporations was aimed at counteracting and eradicating the sympathies towards the “obsolete statist policies of import substitution” and the left-wing and nationalist economic theories of the school of CEPAL-based dependency. In the philosophical domain, the model was accompanied by a post-modern conception in which the value of money tended to prevail over ethical considerations, and individualism prevailed over collective needs and political commitment.

In the Southern Cone, this philosophy underlying the new project became more powerful, fed by the dramatic circumstances of a whole generation of activists and progressive and left-wing militants who had been physically, psychologically and morally decimated by the fierce repression of the previous decades. This bequeathed a legacy of an intellectual and political class with weakened convictions, a part of which – co-opted by the imperialist pro-capitalist ideology – became the ideological and political support for the new regime. Many of these intellectuals held high positions in the neoliberal governments of the time or acted as opinion leaders in the mass media.

2.4. Destatisation and decentralisation: the emergence of the cities and other actors in the international system

The combined movement of globalisation and decentralisation that characterises this historical period responds to two logics which are quite different, but which coincide

in space and time. One of these logics comes from the power and the other comes from the roots, from the actors themselves.

On the one hand, in its desire to integrate all possible spaces in the voracious search for resources and supplies, with the greatest autonomy and least amount of mediation, globalised capital has included the sub-national entities in its expansionist logic, both for their potential as territories with economic value per se and for their position in political contention with the national states, whose attributes and power needed to be urgently diminished or reduced in order to allow the economic freedom and predominance of the private sector.

Thus, cities and other territories and their respective governmental instances became the actors par excellence in this new revolution, together with the NGOs and private companies. In this regard, Godínez Zúñiga underlines that “one of the novelties of the world of globalisation is that the international economic competition will now be played based on the countries’ territorial system as well”, more specifically in the cities which, in the 1990s, were consolidated as the privileged place for the model of the open and globalised economy (Godínez Zúñiga 2004).

Similarly, Abinzano talks of the rise of decentralised entities within the neoconservative (or neoliberal) model which is putting an end to the functions of the State in a plan to reduce its size and powers; a process which simultaneously leads to the strengthening and increase of sub-national administrations. Quoting Mattos, he mentions that a careful analysis is required in order to make an accurate evaluation of this complex decentralisation phenomenon, and to determine its advantages and disadvantages (Abinzano 2000: 288).

The “decentralising” reforms in Latin America basically respond to the needs emerging from capitalist reorganisation, and they aim to solve its problems rather than to emulate the postulations of the progressive ideologists in the matter.⁴

This decentralising impetus that stemmed from the imperial economic power favoured the action and growth of decentralised actors (territorial governments, NGOs, companies).

The other movement “from below” took place from departmental, regional and local instances opening up to the world. This movement began by taking advantage of the situation of internationalisation and coincided with the “empowerment” of territorial entities favoured by endogenous decentralisation processes which, in most cases, had started with the electoral reforms in the framework of wider democratisation processes. This role played – in the past and at present – by municipalities in the democratising process, and its impact on people’s quality of life, has been widely acknowledged.

The need – or better still, the opportunity – to act in this internationalised and globalised context was what led cities to construct networks of relations with other urban centres, which permitted operation on a wider scale. Thus, cities burst onto the international scenario, actively striving to improve its competitiveness and to take advantage of the offer to improve their physical and cultural resources, occupying a place in the world based on the external promotion of their comparative advantages. This phenomenon was reflected institutionally in the active participation of local governments and other development agents in associations and networks of cities, which, as from 1985, had experienced a major boom and represent an almost compulsory strategy for the majority of cities.

This movement from below, from the decentralised actors themselves – among which the local governments are main protagonists – has had significant international recognition since 1996. In the World Summit of Cities, held in Istanbul, a new boost was given to this process, mostly because the Heads of States officially recognised, for the

first time, the relevance of the cities as autonomous entities with their own competences for the sustainable and equitable development of their peoples.

It is however worth mentioning that these new cultural, social and economic relationships do not yet have legal regulation mechanisms for integrating the new actors into the international system. In other words, the emerging transnational actors with powers to influence the globalisation process do not have the legal capacity of the States, with their status as subjects of the international legal community. This lack of legal capacity, and the lack of institutionalisation of the emerging actors in the international system, means that the State is still the only legal body which can be held accountable in that sphere. This is the reason for its legal-formal primacy in all supranational bodies, a circumstance that needs to be changed in order for democratising advances to permeate these organisations as well.

2.5. Development cooperation in the neoconservative period

Towards the late 1990s and early in the 21st century the renowned model based on the Washington Consensus had a lot of flaws. Expectations were reduced in view of the increasing and unstoppable poverty, instability and crises. It was clear that the new world configuration could not change the marginal integration of developing countries which were still the main losers, with their economies seriously affected by the changes. Together with the globalisation of financial capital, poverty and exclusion were also globalised.

Every balance on the world and re-

⁴Mattos, Carlos A. “Falsas expectativas ante la descentralización” in *Nueva Sociedad* N° 104, Caracas, p.57, quoted in Abinzano (2000).



gional economy for that period showed that commercial barriers had been increased and that the economies of the most industrialised countries were even more protectionist than ten years previously. The whole of the external debt of developing countries multiplied by 15 in the last 20 years, until it reached five billion dollars. The Latin American economy fell by 40% between the early and the late 1990s, with a dramatic increase in unemployment.

After the resounding failure of the neoliberal recipes, the need emerged to promote programmes for the reduction of poverty and for better income distribution. However it was still a vicious circle, as it was impossible to bring down the levels of poverty without making some deep changes to policies that were exclusively focused on the generation and accumulation of wealth rather than on its distribution.

Poverty and exclusion, which were phenomena not exclusive to the third world, turned into the central issue on the agendas of governments, international bodies and different social groups concerned by the “progressive deterioration of wellbeing brought about by the development of globalised capitalism in the region” (Álvarez Leguizamón 2005: 477).

At that time, the scenario of development cooperation in Latin America was still dominated by the United States and by the multilateral agencies and bodies on which the former exerted hegemonic power. After the terrorist attacks on the Twin Towers in New York in September 2001, official development assistance policy reoriented its priorities: the infinite war (on terrorism) declared to the world by the President of the United States George W. Bush granted him more funds from the US Treasury in order to finance his campaign.

From then on, everything was interpreted on the basis of hemispheric security. This is the great change in direction that traditional issues of development assistance have taken. Poverty was a source of instability and of the resurgence of subversion. The lack of fairness was meaningful, but only because it fed social dissatisfaction, which gave rise to the advent of populist governments that were enemies of the free market. Countries eligible for this new stage of development assistance were thus established: above all, those that complied with the requirements of trade and economic liberalisation, committed to the war on terrorism and to policies of national security, and that constituted “effective democracies” where not only free elections were guaranteed, but where there was also a free press and efforts are made to fight corruption in the public-state sphere.

Without too many variations on the old modernising development philosophy of the Alliance for Progress, an “Association for Global Development” or a “Global Development Alliance” are now announced, to be implemented by US Official Cooperation Agency. In short, this means MORE TRADE AND LESS AID, a slogan that characterises the cooperation policies of the time.

In terms of multilateral credit agencies, the issue of poverty eradication and of a global association for development are expressed in the Millennium Declaration resulting from the United Nations General Assembly of September 2000, in which the agenda 2015 was approved. The Millennium Development Goals, which were later approved by the majority of cooperation bodies, represent – according to some observers – a re-interpretation of the globalisation process in terms of the

social agenda which has started to drive the international cooperation policies. Undoubtedly, all of the above led to development issues being given a privileged place on the political agendas, and to the expression of a permanent concern about the increasing social, cultural and economic imbalances on the planet.

Development cooperation policy regarding the European bloc has had a different focus. In the second half of the 1980s the centralist and vertical approach – in which the United States was the only actor – was seriously questioned within several multilateral bodies and cooperation agencies, particularly in Europe, who reconsidered the efficiency and effectiveness of development assistance. The structural adjustment and democratisation processes created a space for the direct commitment of actors from civil society. Institutional pluralism, participatory development and decentralisation became the new buzz words.

In this scenario, the European Union (EU) introduced the concept of “decentralised cooperation” at the Lomé IV Convention (see below), allowing a wide variety of counterparts outside central government to use the resources which used to be exclusively for central government agencies. In short, NGOs acquired a preferential place as the “third institutional sector” together with the State and companies.

Decentralised cooperation is an international relations policy aimed at the least developed countries, implemented by the European Union after the end of the Cold War, which was launched in Latin America to coincide with the resumption of bi-regional relations between the European

Union and Latin America in the late 1980s.

3. Integration and development in the Southern Cone

In the mid 1980s, in a context of foreign debt crisis, economic stagnation and restoration of democracy in the region, the two biggest countries of the Southern Cone – Brazil and Argentina – made the first move, solving old mistrust and historical rivalries, towards a bi-national integration project which looked to overcome economic backwardness, promote development with stability, and consolidate peace and democratic government systems.

The countries’ presidents – Raúl Alfonsín in Argentina and José Sarney in Brazil – were driven by a strong conviction concerning the creation of a common economic space which opened the broadest perspectives for the joint development and welfare of their peoples. This would also strengthen the autonomous capacity and the independence of the foreign policy of both countries, achieving their beneficial insertion within the international order in the most ambitious target of constructing a fair and equitable system.

The recovery of the wellbeing and quality of life of the citizens, equitable development, the increasing support for cooperation and the tightening of friendship bonds were at the centre of the initiative. In addition, one of the main triggers was the political will to take out an insurance policy against probable antidemocratic regressions and to do so the countries sought to iron out historical discords and potential conflict issues of the past. “The decision to generate mutual confidence and to reduce mistrust inherited from a history of differences was the base for the consolidation of the civil government system in the Southern Cone of Latin America” reflected Jorge Schvarzer (2001: 390).



These ideas, accurately reflected in the first documents of the Southern Cone integration process⁵ and which represent immediate antecedents of the Treaty of Asunción signed in 1991, in which the Common Market of the South (MERCOSUR) was created, came to fruition neither in their words or in their spirit in the first years of the official integration operation.

This is quite an important fact, though not often noted, and marked an initial tendency of the integration process which – disregarding its original intentions – got lost in the neoliberal flirtations of the rulers who signed the agreement, and who were the most faithful followers of the Washington Consensus recipes in the Southern Cone.

As a result, the agreement only stressed the commercial element and had severe democratic and social flaws. It was targeted towards accomplishing a better [commercial] insertion in the world; productivity enhancement by favouring an economy of scale and the acquisition of new technologies; developing and increasing intraregional trade as well as international trade outside the common market; privileging the role of the private sector of the economy; and creating the conditions necessary to gradually incorporate other Latin American countries (Abinzano 2000).

It is therefore no coincidence that those same rulers were among those who agreed to the foundations of the Free Trade Area of the Americas (FTAA) in 1994, at the Miami summit. This idea was sponsored by the United States and, according to some analysts, is the “greatest neo-colonising project launched in Latin America in modern times”, which is clearly opposed to the integrationist effort of MERCOSUR. These same analysts underline the fact that “the official US documents – almost from the beginning of the 19th century to this date – acknowledge that the Southern Cone is an area which would represent a problem for the

strategic plans of Washington and its companies should it be effectively integrated” (Calloni and Ducrot 2004).

The integrationist strategy adopted by the rulers, faithful followers of the Washington Consensus, in practice almost put an end to the integration process. From this perspective the neoliberal MERCOSUR inserted itself into the traditional international division of work, in tune with the investment and trade programmes of multinational corporations, placing the idea of the market before the idea of integration. (Abinzano 2000).

Summing up, it is possible to refer to three “MERCOSURs”: one, the initial one, progressive and democratic; another, conservative and liberal; and a third (in formation) which, as we will later see, is emerging, trying to recover the philosophy and values of the first, and assimilating the lessons (successes and mistakes) left by the 15 years of uninterrupted experience.

3.1. Integration from the cities: the experience of Mercocities

In the mid 1980s and 1990s, the constitution of networks was a key element for the cities in their strategy of international integration and productivity enhancement. It represented a mechanism for the development of the city and for the external promotion of its image, operating at a higher level of relations where large amounts of information were dealt with. Thus, cities achieved significant relevance and visibility, as they took part in the construction of a collective actor with specific weight in the face of other agents or organisations which also operated in the international arena. Together with the states, the regional structures and the sys-

⁵See the 1985 Declaration of Iguazú; Act I for Argentine-Brazilian integration signed in July, 1986 and Act II of Argentine-Brazilian Friendship, Democracy, Peace and Development signed in December, 1986.

tem of international bodies, the municipalities, networks of cities and national and regional municipalist associations emerged and gained strength, making up – jointly with the non-governmental organisations – the new actors in the international system, as has already been mentioned. In turn, this evolution was based on the decentralisation processes in motion in the different countries of Latin America and the region, which took place in parallel with the democratisation processes.

3.1.1. The first years

The Mercocities network was created with a double characteristic: it was a network of cities cooperating with each other in several technical and administrative spheres, which made it similar to those that already existed and gave it internal cohesion; but, above all, it was a network of cities with a political goal, willing to participate in and accompany the ongoing regional integration process, based on the particular vision of this shared by local governments.

This shared vision regarded MERCOSUR as the basis for regional development in a globalised scenario, within different parameters from those that distinguished the 1990s; searching for a progressive programmatic unity according to which the integration process needed to allow higher levels of economic growth, a fair distribution of wealth and social inclusion, and joint actions in the productive, educational, cultural, technological-scientific and environmental spheres. Likewise, it should be based on profound coordination, cooperation, solidarity and with the strong participation of local actors and of the citizens, who are the true target group of integration.

In this MERCOSUR, the Mercocities network should become a democratising and participative body, leading to a consolidated vision of cities in MERCOSUR and, by means of a recognised instance within the formal bloc

structure, it should have political decision-making powers and the operative/technical capacity to broaden its participation space.

The Mercocities network burst onto the MERCOSUR regional integration scenario when the process has already been underway for a few years. And it did so with a reactive/defensive logic. At that time, the intention was to minimise the effects of the policies adopted in supranational instances concerning the areas of competence of municipal governments in the cities.

Immediately after the inauguration of this supranational body in which decisions affecting the member countries were taken, there was a clear perception that these decisions were progressively detached from the common citizen and were absolutely beyond their control, though the opposite happened with its effects and consequences, which did have a direct impact on their everyday life.

In order to reduce this gap, and to lay a bridge over the abyss existing between that supranational body in which the big decisions were made and that other local institution, the municipal government, which was affected by such decisions, the Mercocities Network was created.

In that regard, its foundation slogan was “Mercocities brings MERCOSUR nearer the Citizen” which, in essence, represented the desire to increase the relevance of municipal administrations as the institutions of power that were closest to the citizen, creating an accessible channel through which municipalities would have a way of conveying the concerns of ordinary citizens to the bureaucracy and to the distant and hard-to-reach centres of power.

In short, Mercocities sought to make the voice and concerns of citizens heard, regarded and, consequently, make them influence the decisions of MERCOSUR, by means of the closest organisation of political power: the municipalities.



“Mercocities brings MERCOSUR nearer the Citizen” was therefore the slogan that inspired the spirit of the eleven heads and representatives of municipal governments when they gathered in Asunción in a Summit for the creation of the Mercocities network in November, 1995. And it also represents the spirit that best reflects the relationship between the two institutes. MERCOSUR had been created 4 years earlier, as a strategy of the member states to advantageously insert themselves into the international context, which was rapidly globalising, and to counterbalance the economic hegemony of the major world centres, clamouring for a more balanced space for negotiations (Zarza 2003).

The network created was intended to work at two levels:

1. At a technical level, through its Thematic Units which achieved sustained growth in the short term. Through this level, the network seeks to meet two goals: the deepening of inter-municipal exchange for development and the systematisation of solutions to those common problems facing municipalities, by which the technical know-how of the network is enhanced and, on the other hand, this same thing represents the basis for the proposals which would be sent by the network – by way of recommendations – to the MERCOSUR institutes when they are to deal with issues related to the development of development, or when compensatory steps are to be implemented due to alleviate the impacts of supranational decisions on the municipalities.

2. At a political level, mostly represented by the key leadership of the heads of municipal governments as the natural interlocutors of the Heads of States who are in charge of the integration process. The management report of the Asunción Executive Secretar-

iat for the summit of Mercocities in Porto Alegre in September, 1996, expressed that a network of cities such as the one intended to be constituted, may only work if “there is a FIRM POLITICAL WILL OF THE MAYORS, GOVERNORS AND PREFECTS”.⁶

Upon the increasing conviction that urban centres represent a political actor with their own political weight within the regional and international order, and that their participation is essential – together with that of other actors – in the scheme of integration, the defensive/reactive attitude of the first stage was abandoned and a proactive attitude was adopted that, as we will see later, allowed the Network to occupy the predominant position in critical stages of the integration process.

3.1.2. The core ideas of Mercocities

It is worth mentioning that the Mercocities Network joined the regional integration process as an autonomous organisation of municipalities, with its own conception of the integration process and with a specific diagnosis of the juncture the integrationist project was going through.

The level of coherence and continuity of the main ideas and stances taken up by the network throughout the ten years it celebrated on November 2005 is surprising. This soundness is most probably one of the main factors for its permanence and consolidation as the most successful regional integration experience of the Southern Cone cities.

One of the main core ideas present in all manifestos, declarations and

⁶See the Management Report of Mercocities Executive Secretariat, Asunción, presented before the II Summit of the Mercocities Network held in Porto Alegre in September 1996.

documents is that the institutionalisation of Mercocities within MERCOSUR will serve to democratise the model, raising the value of citizens' rights, introducing the validity of a social agenda, promoting a new social contract and reinforcing the primacy of the concept of integral human development due to which it is resolutely opposed to the neoliberal reductionist ideology.

To the conservative viewpoint, Mercocities always opposed a progressive and democratic vision which acknowledges that one of the main elements that brings about poverty and backwardness among the peoples of the world lies in the distribution of wealth, and that this is a political, ideological and ethical problem.

3.1.3. Mercocities and MERCOSUR

In this period, significant advances were made in obtaining institutional recognition in MERCOSUR. In this regard, it was acknowledged that the MERCOSUR structure had a democratic-participatory deficit related to the emphasis put on merely economic and commercial affairs and the huge absences and notorious deficiencies of social and cultural subjects. Likewise, it was clear that the institutions in charge of these matters within its structure only have a consultative – and not decisive – status. Consequently, from its inception, the first objective of the network was to be recognised within the structure of MERCOSUR, striving for co-decision in the areas of its competence.

After five years of management MERCOSUR institutionalised the participation of cities in its organic structure. Specifically, in November 2000, by resolution of the Common Market Group, the Specialised Meeting

of Municipalities of MERCOSUR was established as a consultative entity within the institutional structure. This process was led by Mercocities, and in the first meeting of the entity held in Asunción in June 2001 it succeeded in including the main issues and proposals which were being discussed and analysed within the instances of the network from its very start on the agenda.

The establishment of the Specialised Meeting of Municipalities of MERCOSUR (REMI), after 5 years of groundwork and steps before the presidents of MERCOSUR and of the national governments, represented a step towards the achievement of the main aim for Mercocities: the institutional insertion of the cities into MERCOSUR's official structure. Only one step, as this body created as a consultative entity does not fulfil the expectations of the Network in achieving co-decision spaces within the structure of MERCOSUR in those matters which pertain to the competence of local governments.

In the conformation of REMI, as well as in any other MERCOSUR forum, state criteria prevail and there is no recognition of the autonomous nature of the sectors represented in them. There is no such recognition, due to what a preparatory working paper for the IX Summit of the Network in Montevideo in 2003, qualified as the executivist and statist conception underlying the current system of MERCOSUR. In this document it was pointed out that “MERCOSUR has not duly institutionalised the cities and even less the strengthened cities that are appearing”.

A new step towards the fulfilment of the aforementioned objective was the creation of the Consultative Forum of Municipalities, Federal States, Provinces and Departments of MERCOSUR in 2004, by Decision N° 41/04 of the Common Market Council, as



a body of greater institutional scope than the previous Specialised Meeting.

3.2. Crisis in the Southern Cone and the new model of integration

This juncture was duly characterised in the different meetings and encounters of the Southern Cone mayors. In an historical meeting held in Buenos Aires in July 2002 it was pointed out that the social, political and economic situation of the region made clear the existence of a crisis in the development pattern characterised by the destruction of the physical capital, the human capital (due to unemployment, marginalisation and emigration) and the social capital (due to the destruction of the social fabric brought about by segmentation and exclusion).

In addition, they analysed other disadvantages like the region's external vulnerability with regard to speculative capital movements; the restrictions resulting from the foreign debt affecting the generation of sustainable and inclusive development; the dismantling of a large part of the productive apparatus; the external pressures regarding sovereign decisions and, worryingly, the scenarios of high instability as a result of the permanent frustration of the peoples which could jeopardise democracy itself.⁷

The new political circumstances in the states and governments of the Southern Cone region determined that the agendas of municipal governments should adapt their orientation on international and local matters to really specific priorities, making clear and resolute commitments to the people as a means to alleviate the negative impacts of this crisis. Local governments had to exercise, beyond their traditional competences, the roles abandoned by bankrupt and reduced states; and they became the immediate referents

for populations that were experiencing employment problems, education and health deficiencies and hunger.

During the different meetings, summits and encounters held in those days, much of the time was devoted to the analysis of the situation and to the possible ways out to which local governments could contribute. It was underlined that, although macroeconomic instruments could not be defined from the cities, policies tending to solve the imbalances and increasing social demands from the citizens could be instrumented, with the conviction of contributing to the generation of a new model of economic development with social inclusion.

In that situation, it was clear that mayors were undertaking a new role as “statesmen of the crisis” in the economic and political sphere, and that their traditional role – more administrative, as managers of the urban development of their cities – was left in second place.

The role played by the municipalities in the economic and social field was quite significant in order to soothe the impacts of the crises, helping to mitigate the serious conditions of poverty through a wide range of subsidies and direct social aids, and also to confront the existing emergencies and disasters.

The integrationist project was also undergoing a severe legitimacy crisis. The network undertook a more proactive role following the most severe manifestation of the crisis in the region and, concomitantly, in the bloc. According to the Declaration of the IV Summit in Rosario, in September 2000, “almost ten years after its constitution, the confirmation of the process weaknesses, the permanence of an agenda of pending issues

⁷See the Declaration of Buenos Aires resulting from the Meeting of Mayors of the Southern Cone, Buenos Aires, July 4 2002.

and the accumulation of unresolved affairs have placed MERCOSUR at a crossroads.”

On the other hand, it was commonly thought that an integration experience could not progress consistently within a context of imbalances, divergent macroeconomic directions and unilateral measures, and that the attempts of convergence of macroeconomic policies needed to be accompanied by the incorporation of a MERCOSUR Social Agenda. The drafting of such a Social Agenda represented a significant matter for the cities, as the closest recipients of the citizens’ demands.

Likewise, the mayors emphasised that up to that moment, MERCOSUR had been a relevant commercial tool which had allowed the consolidation of the international presence of the region, but it should also be recognised that it had been used to justify various difficulties the countries were going through, which would clearly have happened without MERCOSUR, as they were due to the special features of each economy or to dissimilar strategic visions among its members.

They agreed that the bloc’s most severe problems were the lack of cultural, social and political dimensions, the economic failures (the problems of macroeconomic convergence, the tariff barriers), the lack of a policy addressed at countries of least relative development to overcome the obstacles arising from existing asymmetries, and the absence of a diversifying policy of external relations.

In view of this critical reality, it is worth emphasising that the cities organised around the Network suffered the impact of these crises but continued supporting the project. In this regard, the behaviour of the organisation indicated in advance to other actors in integration

the road to follow with regard to many aspects. The cities committed to more and better MUR had already been announced by Mercocities from its inception in 1995.

Undoubtedly, the ideas and principles of the founders of MERCOSUR represented an inspiration; their spirits always held the social and cultural concern which was later left aside by the subsequent authorities, so sympathetic to and so involved in the neoliberal model (Zarza 2003).

3.2.1. Another MERCOSUR is possible

Despite the difficulties and the crisis in the region, which resulted in an increase in social disparities and a rise in unemployment and violence, and despite the lack of opportunities for the great majorities in the cities and countries, local authorities believed that the road to integration and active participation in the cities in cooperation circumstances like the networks were the most viable alternative to transform the realities of the regions and the cities themselves.

The member cities of the Mercocities Network, convinced of the need to defend the validity of MERCOSUR, supported the initiative of re-launching MERCOSUR, making the political decision of turning it into the main integration option for our countries in the world economy.

The slogans approved in the VIII Summit of Asunción, in September 2002, were: “More and Better MERCOSUR”, “More and Better Integration”, and “More and Better Democracy”.

Similarly, in September 2003 the IX Summit in Montevideo advanced in the formulation of this new model proposed from the cities, and in which the idea of a MERCOSUR of the cities and of the citizens gains strength.



MERCOSUR must acknowledge once and for all that its vitality is beyond the action of governments, that it is not only an articulation of states, that its projection depends on a network in which multiple actors interact. In short, we have decided, from the cities, to further a different MERCOSUR, to work towards the construction of a more real and tangible integration space, radically different from the one that liberal orthodoxy's visions intended to impose, based on mere commercial liberalisation. "It is an extraordinary force, a force of change. It is the force of citizenship."⁸

3.2.1.1. Buenos Aires Consensus: an initiative of the states

In those days, the meeting held by the Presidents of Argentina and Brazil in October 2003 represented a milestone at regional level for the actual beginning of a new integration project among the states.

Calloni and Ducrot (2004) report on the signing of a document denominated the Buenos Aires Consensus, on October 16th, 2003, by the Presidents of Argentina, Nestor Kirchner, and of Brazil, Luiz Inácio Lula Da Silva⁹ as the most remarkable landmark in the course of positioning the region as a unified bloc in the face of the aspirations of the United States and its FTAA project. Both Heads of State agreed to invigorate MERCOSUR in view of the intentions of the United States of achieving agreement for the FTAA.

According to the actors, the Buenos Aires Consensus was an answer to the Washington Consensus, the directives of which had caused the Latin American devastation.

In the Buenos Aires Consensus, the Presidents of Argentina and Brazil underlined – among other concepts – that the payment of the foreign debt should be conditional on the fair growth and social justice of both na-

tions. Similarly, the document proposes MERCOSUR to become a political bloc which will "allow us to face up to the destabilising movements of speculative financial capital and to the opposing interests of the most developed blocs in a more efficient manner", so that "regional integration represents a strategic option to strengthen the integration of our countries in the world, enhancing their negotiation capacity."

3.2.1.2. Buenos Aires Consensus: an initiative of the municipalities

However, the Heads of Municipal Governments of the Southern Cone, in keeping with the aforementioned anticipatory action,¹⁰ had their own "Buenos Aires Consensus" in June 2002, in a meeting that gathered the representatives of the Southern Cone section of the Union of Ibero-American Capital Cities, of the Latin American section of the World Federation of United Cities and the Mercocities network.

The degree of coincidence between both documents is remarkable. The municipal representatives had already adopted a stance around the fact that the regional integration process was the strategy for development and international insertion of the Southern Cone. In addition, they outlined the guidelines for a new model of MERCOSUR which reflected, in essence, what the Presidents of Argentina and Brazil would later record in their document.

⁸*Declaration of the IX Summit of the Mercocities Network in Montevideo, September 2003.*

⁹*Document of the Argentine Chancellery, 16 October 2003, quoted by Calloni and Ducrot (2004).*

¹⁰*This anticipatory action did not respond to a higher clarity of the matters in the minds of local governments, but that it was necessary to wait for a favourable political juncture, distinguished by the changes in government in the region, in order for the Presidents to deal with these affairs, starting with Lula in Brazil (2002) and then Kirchner in Argentina (2003).*

The Declaration of Buenos Aires – signed by mayors, governors and prefects of the Southern Cone – mentioned in its main passages that it was essential to improve the social and economic situation of the countries in order to establish development programmes supporting the widest participation of social actors in the strengthening of democratic institutions; that the appropriate conditions for reducing external vulnerability needed to be created, starting from a firm position in the face of international financial bodies; and that they made the commitment to further a resolute fight against corruption at every moment possible and in all fields, and therefore, those essential values for a transparent and honest public conduct.

As regards the characteristics that a new model of MERCOSUR was expected to have, some elements were stressed which later coincided with the proposal of the Heads of State, as well as other elements of which the local governors were true pioneers. Some of those issues included: to seriously take into consideration the asymmetries in terms of the different level of development of the member countries; to apply productive complementation as an effective way to reduce macroeconomic differences; to find new strategies for intrabloc cooperation in order to encourage social and cultural coincidence of the peoples and to increase social cohesion; and to commit to a permanent democratisation thus incorporating, jointly with the states, all other integration actors with their realities and demands.

Finally, it is worth making a special mention of the fact that on this occasion a third-world stance was very clearly defined – in the best historical and political meaning of the term – urging the states “to act in a bloc in the negotiations with the European and the United States, as well as in international commercial forums, in order to guarantee access to markets in developed countries, given that export increase is a significant element for confronting the increasing external vulnerability of the region”.¹¹

3.2.1.3 An integration outpost in border areas¹²

Another component of the new MERCOSUR model outlined by the representatives of Mercocities has to do with the integration of border areas.

It was mainly boosted during the administration of the Mayor of Asunción as Executive Secretary of the Network. There follows an illustrative quotation of some of the passages of his renowned message delivered upon leaving office:

“There is another emphasis that emerges with force in this new stage in the MERCOSUR process: the attention and relevance currently granted within the bloc’s official agenda for the integration of border areas. These are the thermometer of integration, as the rhetoric of the high-sounding official discourse finds its highest proof of forgery or verification in what is going on in these zones. Border tensions and conflicts cruelly unmask the problems and obstacles facing integration; as much as the accomplishments and advances in the interaction and exchange of these populations reveal the direction of expansions and deepening to be undertaken. It is in these zones that there exist better conditions for thinking about multi-element integration”.¹³

The axis for border integration was a work axis of the strategic plan approved in

¹¹Quoted Declaration of Buenos Aires.

¹²The expression belongs to Roberto C. Abinzano, a researcher in the subject for the National University of Misiones, Argentina, in an interview granted for this article, and it refers to the priority of a clear integration policy which needs to take into account the particular reality of border areas. For further details please see the works of the author in “Cuadernos de la Frontera”, Nos. I, II and III. Documents on the Project “Hacer Nuestra la Integración”, Posadas, School of Humanities and Social Sciences, Graduate and Research Office, publication in photo duplication, no date.

¹³Message of the Executive Secretary Enrique Rivera.



the VII Summit of Asunción, and it is still one of the main action lines. There was special sensitivity towards attention to these affairs under the management of the Mayor of Asunción in several forums of the network led by representatives of public and private entities of border cities of Argentina, Uruguay, Brazil and Paraguay.

It was clear that, as it was an issue almost exclusive to states and governments, even until recently it was restricted to state Defence and National Security bodies; nevertheless it had an enormous potential in border municipalities. The appropriate solution to border integration problems and, from then on, to integration in general, cannot disregard the participation of mayors and other power groups of the cities.

The greatest achievement in this regard was the formal convergence between the Specialised Meeting of Municipalities, promoted by Mercocities, and the Ad Hoc Group for Border Integration which, through a resolution of the 2003 Social and Political Coordination Forum, were urged to work together on all issues regarding this matter.

By means of conclusion, it is now clear that the right option for the regions is MERCOSUR enlarging its membership, extended towards Latin America, establishing association and integration agreements with other existing blocs in the world, with an agenda that needs to be centred on social development, democracy and economic prosperity. Regional integration sustained on the principle of open regionalism has a promising future, which will materialise from the political agreement of the parties.

The last element to be highlighted is that the failure to overcome the restrictions of the “customs agreement” and the “common market” effectively, as well as to

deal seriously with the main internal problems affecting the bloc, like the existence of asymmetries due to different levels of development, and with the sectorial claims and demands of those who find themselves excluded from the integration process, will offer a highly weakened flank which will undoubtedly be taken advantage of by those who are not interested in the successful integration of the Southern Cone.

4. Integration and cooperation

The foregoing sections have illustrated that due to the failure of all developmentalist strategies, which were based on interests other than those of the Latin American region and brought about poverty with exclusion and the dismantling of the solidarity and social cohesion networks, the cooperation policies of the most developed countries and multilateral entities were aimed at fighting these problems.

However, it has also been underlined that once the objectives set out in the United Nations Millennium Declaration (2000) were established, strategies varied in their methodology and practical application according to the insertion in broader frames of relationship among the countries involved.

Thus, summing up, the development cooperation models may be classified into:

- 1) Those which persist in old conservative and imperialist subjects and visions, and do not detach themselves from the classical limitations imposed by the modernising developmentalist theories which are, as someone said, “old wine in new bottles”. They respond to an uneven model of the International Order, based on unsolvable asymmetries and on a concentrative and exclusive distribution of power. In practice, they do not overcome the donor countries vs. recipient countries mode of

relationship or the sometimes subtle and sometimes open imposition of interests of the former through bureaucratic channels of central governments or of business actors with “social responsibility”, or of the wide and heterogeneous range of voluntary organisations.

In this scenario, the integration processes carried out autonomously by less developed countries represent a “threat” to the business-economic interests of those who hold the power in the international order, and only they can have integration initiatives and free trade areas. This may explain the frictions between MERCOSUR and the FTAA.

2) On the other hand, there are the models of decentralised development cooperation that are more connected to democratic and participative processes. As Sanahuja said, it is “based on the concept of global citizenship, the foundations of which lie on a social and democratic vision of globalisation, based on the full validity of human rights and, in particular, of the right to development” (Sanahuja 2001). In short, an approach which encourages multilateralism in which the task of global governance also corresponds to global civil society.

4.1. The new focus of decentralised cooperation

In the second half of the 20th century the scenario of international cooperation in Latin America had been dominated by the United States, followed only by a few countries like Germany and France. European interest in Latin America was reconsidered upon its participation in the Central American pacification process. After the end of the Cold War and the consolidation of the processes of commercial liberalisation and international economic integration – in parallel with the political democratisation phenomena – the

conditions for the reestablishment of fluid relationships were created, as well as the desire to reactivate the historic and cultural ties that unite the two regions.

Decentralised cooperation is not so much a new instrument but rather a different political approach to development cooperation. There are clear connections between the idea of “participative development” and the promotion of democracy and human rights. Reinforcement of civil society entities and the gradual increase in the participation of non-state agents at decision-making stages – both at local and at national level – is one of its premises.

María del Huerto Romero (2004) makes a thorough analysis of decentralised cooperation, stating that it is based on a conception of development of which the fundamental essence is that the State, civil society and the private sector are co-protagonists in the development process. This is why cooperation includes these three actors, while it tries to attain higher levels of efficiency, effectiveness and appropriation of the results by those involved. According to Romero, the European Union has been the first to adopt the approach of decentralised cooperation from its incorporation into the agreements of the Lomé IV Convention, signed in 1989 with the countries of Asia, the Caribbean and the Pacific. Ever since, decentralised cooperation has been taken as a relevant modality of the Community policy of international cooperation.

In its official definition, decentralised cooperation emerges as “a new approach of Development Cooperation which places the agents right in the core of the operation, and, therefore, it follows the double intention of adapting operations to their needs and making them viable” (Romero 2004). In Latin America, some horizontal cooperation programmes were put into practice, aimed at



specific actors, universities, NGOs, local governments and companies.

This innovative conception reflected the generalised orientation towards political liberalisation, the changing perceptions of the role played by the State in terms of development and the search for alternative ways of the distribution of aid. It meant a step towards a higher commitment to the people who were directly affected by development programmes, and an instrument for the creation of democratic structures.

In Bossuyt's words (1995), there were many reasons leading to the adoption of decentralised cooperation in Lomé IV, including:

- Political Changes. The world's thrust towards a policy of liberalisation in the 1980s represented a challenge to the monopoly of the states in power terms and a huge stimulus for civil society. In the past few years, a new paradigm has evolved based on "putting people in front of things, and the poorest first; development as a process for learning instead of something inaccessible; decentralisation, democracy and diversity to increase the value of local knowledge; participation and actions aimed at small groups and communities, and an open, effective and accessible communication".
- Concern for obtaining better returns on money. The need to increase aid efficiency led donor agencies to stop working exclusively with state bureaucracies which generally were deemed as "overdeveloped and untransparent", and to propose non-state agents as alternative channels for the distribution of aid.
- The transfer of responsibility in decision-making and in management. The fundamental point of decentralised cooperation is to support initiatives directly arising from local associations and communities. There is no more place for forms of

participation from above to below, where "beneficiaries" or "object groups" are requested to carry out development projects designed elsewhere.

- Connection with national development policies. Decentralised cooperation does not mean opposition to the government but the search for complementarities.

This approach vindicates the term "cooperation" in its true semantic meaning, detaching it from the traditional idea of mere "aid". Cooperation is a two-fold process in which each of the countries involved agrees to cooperate in order to overcome a specific problem and, in doing so, they will be achieving mutual benefits which are not always – or not necessarily – economic.

Likewise, they start from the premise that there are problems that transcend the borders of a state, or that, due to their nature, jeopardise the sustainability of certain universal values, rules of coexistence or international "government property" which the world society as a whole intends to preserve (the environment, human rights, democratic systems, social equity, etc.). The subject matter of cooperation stresses the support for institutional strengthening for the generation of public policies.

Summing up, it is about contributing to developing each society's own capacities, in an endogenous process built from existing capacities.

In this context, the initiatives of autonomous integration of countries and entities are valued and supported as a strategy for fulfilling development goals, overcoming poverty and exclusion and accomplishing social cohesion.

However, this approach is more identified with the politics of the European bloc and it does not yet go beyond the vision of an inherently hierarchical and uneven international order, with basic asymmetries which

already have a systematic – rather than “centre-periphery” or “North-South” – character. One of the systematic asymmetries is the contrast between the dynamic development of markets and the delay in the construction of global governance which have led, as Grumberg and Stern underlined, to a “sub-optimum” supply of “global public property” (Ocampo 2001). Another of these significant asymmetries is the huge difference between the speed of market globalisation and the obvious absence of a true international social agenda. This leads to a lack of effective international instruments to guarantee the fulfilment of the development goals, which are periodically repeated, (e.g. UN Millennium Declaration) and also to the tendency of failing to fulfil the goals established, particularly in terms of official development assistance.

As regards the latter, Hugo Camacho (2004) believes that “we are also observing an increasing marginality of international relations of development cooperation policies in the face of the pre-eminence of commercial flows and economic exchanges. Despite not being a new phenomenon, it is a progressive one.”.

“We are also witnessing a progressive schizophrenia of discourse. As practices are detached from the commitments made (...) the main question has to do with the way to handle and to insert them appropriately into the paradox so as to have a bearing on it; how to defend and to appropriate the established theoretical consensus in order to turn them into transforming proposals”.

4.2. Decentralised cooperation and regional integration in the Southern Cone

With the intention of presenting specific conclusions on the new ways of decentralised

cooperation before the III Summit of the EU and LA Heads of State and Heads of Government, on May 2004 the European Commission co-finances an initiative to organise the “Conference on EU-Latin America local Partnership: State of Play and Ways Forward for EU-Latin American Urban Policy Cooperation decentralised cooperation ” held in Valparaíso, 22-24 March 2004.

The paragraphs of the Declaration of Valparaíso arising from this conference served as inspiration to elaborate this section which, by means of conclusion, will attempt to include all of the elements detailed above.

The declaration stated the recognition of the decisive role of Latin American local and regional governments in the struggle against poverty, inequality and exclusion, as well as in the promotion of social cohesion and economic development. Additionally, it asserted that “economic development, social cohesion and democratic governance in Latin America called for a consolidation of the regional integration processes”.

Consequently, there was an emphasis on the “importance of decentralised cooperation between the local communities of the European Union and Latin America to include actions in the sphere of regional integration” aimed at the exchange of experiences and the complementing of local policies that fight against poverty and further social cohesion, which will lead to the strengthening of municipalities in the integration processes.

From these paragraphs, which contain a true guide for decentralised cooperation policies, it can be inferred that regional integration involves the cities, local governments, municipalities and regions, as they all play a key role in the production of economic development, social cohesion and democratic governance.

This is extremely relevant in terms of a future reorientation of cooperation policies



which could be taking a real turn towards the support of local administrations – a support which, to date, has been quite meagre compared to the amount of aid allocated to other decentralised entities.

In that same document it was recommended that “the networks of cities already existing in the region – like Mercocities – be used for the achievement of such objectives, establishing synergies for the development of decentralised initiatives.”

If it were adopted, this would represent a change in the orientation of the decentralised cooperation policies so far implemented. There were many interventions, observations and recommendations from those who attended the Conference – and from others who were not there but who participated by other means – in the sense that the decentralised cooperation programmes are supported on already existing organisations, invigorating their operation and bringing about the pursued synergy.

It is worth underlining that, from its inception and before the official launching of the first period of the URB-AL programme in 1997, some joint negotiations were made to obtain a work in common (as an example, see the report on the Management of the Executive Secretariat in charge of Asunción for the II Summit in Porto Alegre in 1996). On that occasion – a meeting called by the Union of Ibero-American Capital Cities in Madrid – there was however a preliminary agreement which never materialised.

More recently, in 2005, in the XXIII meeting of the Council of the Mercocities network, it was agreed to send a note to Mr. Riccardo Gambini, Head of Department of the EuropeAid Cooperation Office in the European Commission (EC), management area of programmes such as URB-AL, @lis and Eurosocal, etc. This communication ex-

pressed the network’s concern about the lack of protagonism of the Latin American cities in the conformation of the programmes elaborated from the European Union in order to cooperate with the Latin American reality, one decade having elapsed since such cooperative actions started. It was specifically requested that such tendencies be revised and corrected. The answer of EuropeAid (EC) was received on 30 June, suggesting that Mercocities present a set of concrete recommendations, with the intention of defining criteria for the cooperation programmes of the Commission for the period 2007-2013.¹⁴

It is clear that there are promising tendencies towards a future positive reorientation of the terms of the paradigmatic Declaration of Valparaíso.

One last issue to be presented within the scheme of decentralised cooperation of the European Union with Latin America is the possibility that the South-South horizontal cooperation initiatives between local administrations or other decentralised entities be supported by funding. The foregoing would enhance the achievements accomplished, specially taking into account that North-South horizontal cooperation does not often overcome the existing asymmetries.

There is a very rich and varied experience of horizontal cooperation between municipalities and sub-national entities from the different countries of the Latin American region which, due to the lack of support and funding, fail to meet the appropriate levels for the progressive achievement of medium and long-term objectives.

¹⁴Report on the Management of the Executive Secretary of Mercocities in charge of Buenos Aires before the XI Summit of the Mercocities Network in Santo André, Brazil in November 2005.

4.3. European Union-MERCOSUR: cooperation at political level

Decentralised cooperation is a very political form of aid. The idea of having to recover the political dimension of international cooperation is being discussed in several forums. Display and correction of the technical requirements of a project are not enough to secure the efficacy of the results. Hence, especially in the European Union agencies, the institutionalisation of the [political] dialogue structures is being considered. The fact is that the fight against poverty, the accomplishment of social cohesion, democratisation and participation are clearly political objectives, and they surpass the narrow frames of the logic of projects which also call for attention.

Moreover, the new cooperation strategy in support of integration processes included in the new orientation of decentralised cooperation for Latin America is based on the broadest relationship between the two regional blocs.

On the one side, subsequent meetings were held – from Rio de Janeiro in 1992 to Guadalajara in 2004 – in which the contents of a strategic relationship between both regions were outlined, and on the other hand there are the specific practices more or less adapted to those consensus. On this level is where the gap remains, and where it is necessary to move forward in the construction of a true European-Latin American strategic association. As Christian Freres states in a frequently-quoted article “the construction of a true European-Latin American association has two premises: that the European Union consolidates its role as a global civil power, and that the Latin American countries actively strive for the construction of a multilateral

order based on the principles of diplomacy, economic cooperation and non-intervention” (Freres 2000).

Specifically, in the relationship of the European Union with the MERCOSUR region, the attraction of higher amounts of aid which were traditionally addressed to the Central American region and to the Andean countries needs to be considered, amid a different logic that may be described as the transfer of the level of development cooperation to the strategic alliance with the sub-region, which represents the higher economic, demographic and political power of Latin America. In a scenario of international relationships with strong tendencies towards unilateralism, the overdimensioning of security issues and the frequent threats of violation to international legality, the European Union may be interested in this strategic association which undoubtedly will have deep impacts even at a planetary level.

As a conclusion, here is a suggestive reflection of Rosario Green: “Latin America, a region of indigenous origin which blended with Europe after the conquest and the subsequent interventions and migrations. A region that feeds from those two elements and that cannot give any of them up, as much as it should not accept being abandoned, betrayed or to have an underserved orphanage be declared on it by such symbiotic past. Based on the marriage between the Native American and the European – back in the XV century – aside from the embryo of what Latin America is at present, the fairness of its current claim when it expects respect, support and collaboration from the old continent must be recognised. Our location in the Americas, our vicinity with the most powerful country of the Earth, the advantages we can obtain from this situation and the pains it has also inflicted on us need to be a subject for a permanent dialogue between Latin



America and Europe; not with the intention of setting up barricades but rather of finding balances. Those balances should be – aside from financial and commercial – cultural and conceptual”. (Green, no date).

Coming back to the Introduction, “most of the boost presently needed in the

region for an advantageous repositioning in the international scenario depends on the appropriate approach and further implementation of the policies promoted within this relationship” and, consequently, the achievement of progressive goals on the road to its development.

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Regional Integration Processes

Participation of sub-state bodies in the Central American integration i-process

This piece of work analyses the challenges facing local governments of the Central American region in order for them to be able to participate in the integration processes in the region. The institutions involved and processes carried out in the frame of the Central American Integration System (SICA) are analysed in this article. The essay particularly emphasises those economic and political processes.

This article consists of three sections. The first section presents the basic geographical, economic and social characteristics of the region. The regional and the national are analysed from two different perspectives. The second section introduces a brief description of the most recent evolution of SICA. And the third focuses on the spaces of integration emerging “from below”, in an attempt to illustrate the opportunities fostered from the local sphere such as, for example, municipal associativism.

KEY WORDS

*Central American integration |
SICA |
Local governments |
Municipalities |
Municipal associativism |*

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1. Introduction

The Central American integration process is distinguished by its complexity, and its current format dates back to just 1991. Most of its institutions are structured according to national governments and their corresponding departments; that is, in typical functions of decentralised administration. This fact has restricted the participation of different sectors of Central American civil society and, to a certain extent, has prevented the effective participation of local governments in the process.

Nevertheless, some efforts are being made in order to include these organisations, so much so that it is possible to differentiate two processes. The first process privileges the official initiatives implemented by central governments “from above” through official agreements. The second, “integration from below”, pays special attention to those actors who, in the previous approach, do not count on wholehearted support from the State. In this respect, Central America shows a significant deficit in terms of the participation of local governments and municipalities within the regional and national political agendas.

In this context, decentralisation or the transfer of powers and functions to the municipalities is not a finished process. On the contrary, it is conditioned by structural factors related to the situation of the national context. Its development is the reflection of a reality that is struggling against with the political will of the governmental authorities.

This essay starts from various conceptual considerations that first need to be defined. First, the concepts “local government” and “municipality” will be taken as equivalent. These terms are used to designate polit-

ical authorities and governments confined to a limited territory. They are political entities with jurisdiction in administrative, political and budgetary matters in a specific territory. In this respect, they will be equivalent to the term “sub-state entity”.

The geographical frame of the study comprises six countries of the Central American Isthmus: Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama. The use of the term Central America (“Centroamérica” or “América Central” in the Spanish version of this piece of work) refers to the set of those countries.¹

Finally, although the background of the integration process in Central America goes back to the early age of independence, the study emphasises the actions carried out over the last 15 years from the Central American institutions created or invigorated by the adoption of the Tegucigalpa Protocol signed in 1991 and the Guatemala Protocol of 1993, which constituted the Central American Integration System, SICA. Thus, when referring to “regional integration”, this reference is to include the group of institutions and processes encompassed by the framework of SICA. In addition, this essay places particular emphasis on those economic and political processes.

This article consists of three sections. The first section presents the basic geographical, economic and social characteristics of the region. The regional and the national are analysed from two different perspectives. The second section introduces a brief portrayal of the most recent evolution of SICA,

¹The term “Centroamérica” is traditionally used to demarcate the different states of the General Captaincy of Guatemala which were granted independence from the Kingdom of Spain in 1821 (Guatemala, Honduras, El Salvador, Costa Rica and Nicaragua). “América Central” refers to the seven states comprising the Central American Isthmus, that is, the aforementioned plus Panama



describing the characteristics of this process throughout the last fifteen years and pointing out both its advantages and weaknesses.

While the first section highlights the approach “from above” which has predominated in the construction and development of Central American integration, the third section, “Sub-state entities and the integration process”, is centred on integration spaces constructed “from below”. It intends to illustrate the opportunities fostered from the local sphere, such as municipal associativism. This section considers both the participation spaces within the institutional official bodies and those that are not official but which, nevertheless, contribute to the same process.

1.1. Central America: the regional vision

The Central American Isthmus has a territory of 532,857 km² and represents the bridge between North and South America. The Central American population has tripled in the last fifty years. Nowadays it has a population of around 38 million inhabitants, with a density of 71.9 inhabitants per square kilometre. Half of the population are women; one in five individuals is indigenous, although in some areas of the Caribbean there are populations of African descent. One in three lives in Guatemala, four in ten are children or young people of 14 years old or even younger, and six in 100 are adults are over 60 years old or even older (State of the Region Project, 1999). All of this tells us that Central America is a region that is diverse and full of contrasts, elements which shape its political culture.

In its economic dimension, Central America has not yet overcome its difficulties in reversing the sustained deceleration of economic growth and the disarticulation between the productive sector and job generation, negatively affecting social equality and vulnerability

(State of the Region Project, 2003). Central American GDP in 2001 reached the amount of 66.5 billion dollars, while GDP per capita amounted barely to 1,843 dollars. Differences between the countries are still overwhelming. Costa Rica and Panama exceed 3,000 dollars, while GDP per capita in Nicaragua and Honduras hardly reaches 1,000 dollars (State of the Region Project, 2003). This fact is particularly relevant if we take into account the countries’ localisation according to the Human Development Index.

Therefore, contrasting realities exist that can be assessed by state, region or municipality: it is possible to find “prosperous” municipalities or departments, localised around capital cities and certain developing urban centres, with a poverty rate below 30%, and, on the other hand, we find peripheral regions where the poverty rate exceeds 30%. This reality certainly shows a characteristic that we will see below when studying the municipalisation of Central America, which is that the influence of local governments on the development of their populations is minimal and that, on the contrary, centralisation decides the allocation of resources.

Currently, there are 1,185 municipalities in the six states under review. Population average per municipality, usually denominated “degree of municipalisation”, is somewhere around 29,200 inhabitants per municipality (State of the Region Project, 2003). Guatemala, the country with the largest population, presents the highest number of municipalities: 330. On the other hand, Panama, which is the country with the smallest population, has only 67 municipalities.

Throughout the 1990s and within the context of the process of peace and democratisation undergone by the region, the municipal regime experienced changes in the normative and institutional area which furthered the commencement of a process of more municipal au-

tonomy as well as of reforms towards decentralisation, although these reforms are still too tied to the Structural Adjustment programmes. This led to a series of efforts through which the matter gained strength on the national and regional agendas.

1.2. Central America: the national vision

Regional integration has taken important steps forward regarding its development, but it still has pending issues. That is to say that, although the region has successfully reached agreements in terms of trade, environment, the fight against poverty and infrastructure, among others, this did not represent better integration. A hypothesis may be that, when dealing with Central American issues from the domestic and national arenas, more emphasis is placed on the differences and asymmetries rather than on the similarities or on the bonds that connect these small nations with a common history (Solís 1999).

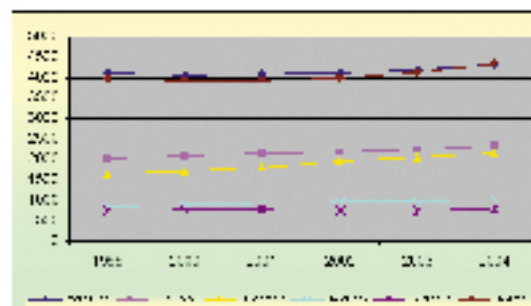
One of the theses which emphasises that such differences prevent or fragment integration is based on the real GDP per capita of each of the countries. The region appears fragmented into three levels. The first level corresponds to Costa Rica and Panama, with more than 3,000 dollars per capita. In the second level, El Salvador and Guatemala reach an amount of around 1,500 dollars per capita. Finally, the last level corresponds to Honduras and Nicaragua, the GDP per capita of which does not exceed 1,000 dollars (see Chart 1).

Therefore, the evolution of the integration process would be marked by those members who are “slower” in their economic growth. Likewise, the political will of each state will be in tune with the

“speed” of economic growth, or with the performance level thereof. Thus, the “faster” states will be reluctant to follow the “slower” rhythm of integration and, therefore, each state will look for its own alternatives (Solís 2000).

Consequently, the vision “from

Gráfico 1: PIB por habitante 1999-2004 (en dólares)



1. PIB por habitante

Fuente: CEPAL 2005

above”, from the State, from the governments, becomes decisive in defusing or aggravating the frictions resulting from border disputes. The unfortunate incidents between Costa Rica-Nicaragua, Honduras-Nicaragua and Honduras-Nicaragua-El Salvador, among others, as well as the differences between Colombia and Nicaragua; Nicaragua and Honduras, the Gulf of Honduras (Guatemala and Honduras) and the Gulf of Fonseca (El Salvador, Honduras and Nicaragua), indicate and recall the fragility of a politically fragmented region.

From the official vision, from the approach “from above”, borders divide, borders mark the limit of integration and, of course, hide and disfigure the role and initiatives which, coming from local governments, could contribute to the strengthening of a real integration process, constructed and reinforced “from below”.



2. Central American Integration System (SICA)

2.1. Consolidation of democracy and creation of SICA (1990-2004)

The democratic transition and the normalisation of economic, commercial and political relations – both intra and extra-regionally – were consolidated in the 1990s. It took nearly 10 years (1987-1997) for the region to reach peace, initiate and conclude successfully the national processes of cessation of hostilities, reconciliation and disarmament (Nicaragua, 1988; Panama, 1990; El Salvador, 1992; Guatemala, 1996). In addition, after a political record of authoritarianism and repression, subsequent governments elected through free, transparent and internationally-supervised elections were constituted in all countries of the area (Matul 2003).

In the regional political sphere, the Central American Integration System made a renewed effort to revitalise its institutionality. With the signature of the Tegucigalpa Protocol (1991) and the promulgation of the Alliance for Sustainable Development – ALIDES (1994), SICA obtained a new conceptual and programmatic framework which was complemented with the signing of the Social Integration Treaty (San Salvador, 1995) and the Democratic Security Treaty (San Pedro Sula, 1995).

The main goal of Tegucigalpa Protocol was the sustainable development of Central America, boosted by a joint strategy to face the global markets, in order to increase the participation of the economies of the region in world trade, as well as to restructure, strengthen and invigorate the integration process to adapt

it to the new external opening strategy, and to change the productive structures so as to achieve an efficient and dynamic reinsertion in the international market (de la Ossa 1994).

The institutional structure of the new integration system reflects an eminently governmental-state characteristic necessary to understand the action of sub-state entities within the system. Though the Integration System gave rise to a space for the participation of civil society that includes local governments (the Consultative Committee, CC-SICA), the truth is that, so far, the governments' will to facilitate the creation of real and effective spaces has been rather scarce. A brief review of the organisational structure of SICA is enough to realise that its initiatives and action and control bodies come basically from "above to below". This has led the System to be distinguished by governmental centralism in decision-making, especially within the Presidential Meetings.

At the beginning of this renewed integration process, local governments were considered as fundamental elements for the achievement of better levels of democratisation and development. Yet, the mandate of the Tegucigalpa Protocol, in connection with the Consultative Committee, has suffered the effects of governmental indifference towards these participation spaces.

2.2. The Guatemala Protocol: economic integration

The Protocol to the General Treaty on Central American Economic Integration (Guatemala Protocol) was signed in 1993. This Protocol was intended to support the action of integration actors and agents in the opening of Central American economies, as

well as to improve their efficiency and competitiveness. It seeks an integration system that is open to external commercial relations, in which the common tariff has less relative relevance due to the export bias of the regional productive machine and to the significance of the countries' economic stability in a competitiveness context. In addition, the integration process had an important boost with the signing of the Alliance for Sustainable Development (ALIDES) in Masaya, Nicaragua, on 13 October 1994. After that, the Presidents of Central America gathered in Costa del Sol, El Salvador (1995), where they agreed to accelerate the execution of political, economic, social, cultural and environmental priority commitments. Consequently, during the XVII Meeting of Presidents, and to the effects of deepening the priority mandates defined in Costa del Sol, it was agreed to initiate the Action Plan (1996) for the Second Stage of ALIDES. However, the issue of local government development was only slightly addressed and was connected to economic development.

2.3. The integration system: one or several agendas?

Hurricane Mitch, in October 1998, made clear the ecological and social vulnerability of Central America. Substantial changes in the agenda of the region were decided as a result of it. Since then, Central America has witnessed the emergence of some initiatives which overlap and cross seeking the reactivation of integration. Among them, the following are some of the most significant: the official agenda of SICA, the Puebla-Panama Plan, the Free Trade Area of the Americas – FTAA, the Harvard-INCAE Project and the United States-Dominican Republic-Central America Free Trade Agreement.

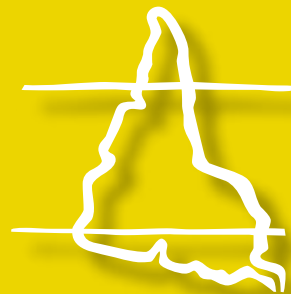
2.3.1. Official agenda: customs union

On 22 May 1996, the governments of Guatemala and El Salvador, based on Articles 1 of the General Treaty and 15 of the Guatemala Protocol, agreed to constitute a customs union between their territories. Four months later, in Managua, Nicaragua, the Central American presidents appointed a high level group to draft the terms and conditions for the establishment of the Central American Union, that is, a legal document that would set forth the stages and terms according to the provisions of the XIX Meeting of Presidents in the city of Panama (July 1997).

The Framework Convention for the Establishment of a Customs Union between the territories of Guatemala and El Salvador was signed at the beginning of 2000. This Union is intended to allow the free circulation of goods and provision of services connected to the commodity trade, regardless of their origin, subject to the prior nationalisation of commodities coming from third countries in any of the contracting states. The Convention stipulates regulations in terms of tariffs, customs management, health records, services and investments trade, common foreign trade policy, trade regulations, tax policy, free trade, consolidation of measures and co-ordination of actions.

In August 2000, the Council of Ministers of Economic Integration (COMIECO) – by resolutions 56 and 57 – declared its consent to the participation of Nicaragua and Honduras, respectively, in the negotiations for the implementation of a customs union between the four countries.

On 22 February 2002, in a meeting held in Managua, Nicaragua, the Presidents of Central America agreed to advance resolutely in the area of intra-regional free trade and in the customs union implementation



process, in accordance with the spirit of flexibility established by the Tegucigalpa Protocol. In March 2002, in the city of San Salvador, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua approved the Action Plan on Central American Economic Integration which constitutes the central axis of the actions to be developed in the short and medium term in order to progress in this process, which will facilitate the materialisation of the customs union in December 2008.

Subsequently, during the XXI Meeting of Head of States and Governments of the Central American Integration System (Granada, Nicaragua, June 2002), preceded by a Meeting of the Intersectorial Council of Ministers of the Economy, Costa Rica joined the process. Harmonisation of 73% of the common external customs duty and joint application of safe harbour provisions, and the coordination and simplification of pilot customs programmes are some of the principal steps forward in terms of customs union.

The process has significantly progressed in Guatemala, El Salvador, Honduras and Nicaragua. According to the report on the activities and progress of the customs union process in these countries, substantial advances have been accomplished as regards tariffs, customs management (where the vice-Ministers of the Economy and Public Finances instructed the Customs Directors to implement a model customs office with the purpose of eliminating border posts),² registers, tax coordination, services and investment trade, common foreign trade policy and free trade (the liberalisation of some commodities which still appear in Annex 'A' of the General Treaty for Central American Economic Integration, such as roasted coffee, alcohol, alcoholic drinks, wheat flour

and oil products, was agreed in the Action Plan of the presidents dated 31 December 2002) (Matul, Dindarte and Trinca 2005).

2.3.2. The Puebla-Panama Plan

On 12 March 2000, the government of Mexico announced the development strategy for the south and southeast of Mexico in the framework of the denominated Puebla-Panama Plan (PPP). Likewise, the presidents – gathered within the context of the Mechanism of Dialogue and Coordination of Tuxtla (June 2001) – adopted the following initiatives: the Mesoamerican Initiative for Sustainable Development; the Mesoamerican Initiative for Human Development; the Mesoamerican Initiative for Prevention and Mitigation of Natural Disasters; the Mesoamerican Initiative for the Promotion of Tourism; the Mesoamerican Initiative for Trade Facilitation; the Mesoamerican Initiative on Highway Interconnection; the Mesoamerican Initiative for Energy Interconnection and the Mesoamerican Initiative for Telecommunications Integration Services.

Additionally, they agreed to institutionalise the Executive Commission for the Puebla-Panama Plan and to assign the role of support secretariat of the Executive Commission of this Plan to the General Secretariat of the Central American Integration System (SG-SICA)

²Actualmente, se han puesto a trabajar las siguientes. Por ejemplo, en integrados customs: 1) El Amatillo (January 29, 2001); 2) El Poy (June 11, 2001); 3) Las Chiriquitas (June 15, 2001). Or on juxtaposed customs: 1) Pedro de Alvarado-La Hachadura (April 4, 2001); 2) Anguiatú (August 8, 2001); 3) San Cristobal (June 30, 2001). Similarly, on peripheral customs of El Salvador: 1) Puerto Quetzal (May 5, 2001); 2) Santo Tomás de Castilla (May 15, 2001); 3) Puerto Barrios (May 30, 2001); 4) Tecún Umán (July 16); 4) Puerto Cortés (June 11, 2001). And international customs: 1) El Amatillo (January 29, 2001) and 2) El Guasacule (August 30, 2001).

The Puebla Panama Plan seeks to exploit the resources and advantages of the region, to rectify its historical infrastructure deficit, and to reduce poverty and vulnerability to natural disasters. The PPP emerges as an initiative of the Mexican government for the Mesoamerican countries to promote regional integration and to further social and economic development projects in the states of the south and south-east of Mexico and the Central American Isthmus. Thus, the southern and south-eastern Mexican region become a part of the Central American Integration process, giving rise to a “new region” formed by Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama and the nine states of south and south-east Mexico: Campeche, Chiapas, Guerrero, Oaxaca, Puebla, Quintana Roo, Tabasco, Veracruz and Yucatán.

2.3.3. Free Trade Area of the Americas (FTAA)

The project of the Free trade Area of the Americas was launched in December 1994. However, it was only on 8 May 1997, that the Presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, the Dominican Republic and the United States and the Prime Minister of Belize, gathered in the city of San José, Costa Rica, and initiated a new stage towards the facilitation of a new framework of relations between the United States, Central America, Belize and the Dominican Republic.

At that moment, they committed themselves to carrying out all the actions necessary for the implementation of the Free Trade Area of the Americas (FTAA), while the United States supported the actions towards the approval of an Act that would expand the benefits granted through the Caribbean Basin Initiative. During the II Summit of the Americas (Chile, 1998) the Central American Presidents started negotiations on the Free Trade Area of the Americas.

At first, there was concern that this process of external negotiation could veil the Central American internal agenda. Nevertheless, the economic and democratic fractures, both in the Southern Cone and in the Andean region, dissipated the expectations generated by the FTAA. In addition to this, there was a prevailing huge scepticism arising from the permanent refusal of the US Congress to approve the “fast track” (Hakim 2001).

2.3.4. Harvard—INCAE Project: Central American Agenda for Competitiveness in the XXI Century

The Central American Agenda for Competitiveness was the result of the decisions made by the Central American Presidents after signing the declaration of the Alliance for the Sustainable Development of Central America (ALIDES), in August 1994, in which a programme for sustainable human development was proposed as the regional target. That is, development actions should also entail social welfare, political democracy and environmental balance.³

To these effects, financial support was requested from the Central American Bank for Economic Integration (BCIE) for the elaboration of a strategy for regional economic development in the medium and long term. In October 1996, BCIE signed the agreement for the creation of such a programme with the Latin American Centre for Competitiveness and Sustainable Development (CLACDS) of INCAE, and the Har-

³At the end of the 1980s, a new political elite with a university education from business schools of the United States joined the governments of the Central American countries. Rafael Callejas from Honduras and José María Figueres (graduate in administration from Harvard) are clear examples of this. This “vision” led to the direct involvement of the private sector and foreign universities in the definition of proposals on regional integration.



vard Institute for International Development (HIID).

Consequently, competitiveness became the core of the new Central American economic agenda that now combined the micro- and macroeconomic issues. The Harvard-INCAE proposal seeks to solve the economic development issue through competitiveness and the generation of adequate conditions for the fast and sustainable growth of productivity. This approach also states that wealth is generated principally due to the ability of some companies to produce goods and services efficiently and to maintain capital return and high salaries. (Doryan, Marshall and López 1999).

The approach privileges those governmental policies that foster the increase of productivity in a specific region or country. That is, “the political-institutional, macroeconomic and social policies could not nurture the sources of sustainable economic growth without an appropriate improvement of the microeconomic level” (Doryan, Marshall and López 1999:19). Two areas are vital within the context of this idea: first, what is called the companies’ operation and strategy and second, the business climate (Doryan, Marshall and López 1999).

2.3.5. The Central American Free Trade Agreement with the US

It is common knowledge that the Central American Integration process suffered a serious setback due to the impact of Hurricane Mitch (and after that because of the damage caused by the earthquakes in El Salvador). Around 10,000 people lost their lives and there were nearly 6 million victims, with economic damages estimated

at 6 billion dollars. The disaster interrupted intraregional trade and all its related operations.

In 1999, the states of the area asked the US President Bill Clinton to provide support for the reconstruction and transformation, release from debt and financial cooperation, commerce and investment, migration, democracy, rule of law and human rights, and sustainable development. On this occasion, President Clinton expressed his determination to work actively with the US Congress to broaden the Caribbean Basin Initiative (ICC) and send to the Senate the bilateral investment agreements signed with El Salvador, Honduras and Nicaragua for their ratification. The US Congress approved the legislation required to expand the benefits of the Caribbean Basin Initiative.

The terrorist attacks of 11 September 2001, caused an impact on international politics and, obviously, Central America was unable to escape those effects. On 19 September 2001 the presidents of Central America held a meeting in Honduras with the purpose of condemning the terrorist attacks. Central American actions in this respect have to do with four immediate matters: a) the Joint Central American Declaration Against Terrorism (September 2001); b) agreements signed by the Commission of Police Chiefs of Central America and the Caribbean (September 2001); c) the Meeting of the Central American Commission of Migration Directors (October 2001) and d) the Central American Integral Cooperation Plan to counteract Terrorism and related activities, drafted by the Central American Security Commission (October 2001).

The meeting of presidents held in Honduras became particularly relevant.

The Declaration of Copán (January 2002) confirmed the commitment of Central America to work jointly in the fight against poverty, the protection of the environment, the combat of drugs and terrorism, as well as in the promotion of the development of the Isthmus. In this meeting, the Central American Presidents sent a letter to US President George W. Bush, in which they expressed their shared vision of the way to confront security and democracy challenges through the existence of open markets and free trade. Similarly, they expressed their satisfaction with the decision of President Bush to progress with the negotiation of a Free trade Agreement between the United States and Central America.

Negotiations between Central America and the United States started formally in January 2003 and concluded in December of the same year, except for Costa Rica, which concluded the cycle in January 2004.

2.4. Final reflections: "goodbye development, hello trade"⁴

The process of negotiation and consolidation of the Free Trade Agreement with the United States reaffirms the tendency of the last ten years, privileging those actions related to trade and to the development of regional infrastructure, as the fundamental mechanisms to enhance people's quality of life.

This tendency insists on furthering the regional processes elaborated "from above", by the national governments or multilateral governmental bodies, while – as was previously said – the local initiatives or those emanating from civil society have received very little official attention.

In many occasions, negotiation of such external agendas reveals a line that reduces the participation of SICA institutions with respect

to the private interests of each of the states under review. In this regard it can be stated that there are no SICA reforms or mechanisms to guarantee financial sustainability among the priorities of each of these agendas.

Thus, the confused structure of SICA, the lack of coordination of national policies, the indifference of some states regarding the integration process and the little clarity of the integration institutions' performance have led integration to be ignored in making crucial decisions for the whole region.

Unfortunately, integration "from above" leaves those initiatives originating both in civil society organisations and in local governments also in a difficult situation.

3. Sub-state entities and the integration process

Although the decentralisation⁵ process in Central America started more than a decade ago, it still remains unfinished. In recent years, the region has firmly believed in State decentralisation as one of the most adequate mechanisms to deepen democracy and to progress towards a more open, transparent and inclusive participation. However, despite the efforts made, such process has serious deficiencies, with a persistent reluctance of the states to transfer decision-making powers to the municipalities (Cardona 1998).

In practical terms, this incipient transformation of the municipal regime is

⁴Words from Ceara-Hatton and Isa-Contreras (2003).

⁵To the effects of analysis, in this section the term decentralisation shall be interpreted as "the process through which jurisdiction and political power are transferred from the central government to State institutions near the population, with financial resources and administrative independence as well as with their own legitimacy, so as to improve the production of goods and services with the participation of the citizens and to their benefit." (Córdova 1997).



evidenced by financial weakness, in legal frameworks with huge gaps regarding a real strengthening of the municipal autonomy as well as in the technical insufficiency of human resources in terms of administration and management.

Decentralisation requires several important assumptions: a) a political reform in which the power concentrated in one area is transferred to another; b) transfer of jurisdictions from a governmental institution to a deconcentrated entity, specifically regarding administrative and services issues; and c) administrative independence of the entity receiving the power through decentralisation (Ortega and Wallace 2000: 24-26).

Coincidentally, several authors have pointed out that the current process was disorganised and that, unfortunately, it does not respond to a strategy defined in favour of decentralisation (González García 2001, Ortega and Wallace 2000, www.femica.org). Despite this situation, there have been a significant number of changes as from 1990, among which we highlight the following:

- Creation of new financing sources for regular activities of local governments;
- Transfer of administration of basic (sewage, health care) and fiscal (tax collection) services to the municipalities;
- Electoral reforms allowing the election of local authorities directly and separately from the processes of election of the president and members of the parliament;
- Improvement in the training of municipal authorities through international cooperation and entities dedicated to the strengthening and promotion of local governments.

Although it is true that the region has

not consolidated effective decentralisation as a whole, and that there are no structures to foster the effective change of local governments either, it is possible to identify some regional tendencies that facilitated the creation of an incipient regional agenda in terms of decentralisation:

- There is an essential trend to strengthen the autonomy of local government and the management of the “good government”;
- Strengthening of the relationship between the local government and the citizenry, in order to promote the participation and transparency of local government;
- Active growth of local governments’ associationism; and
- An increase in the relevance of national associations of municipalities within national agendas (Enríquez Villacorta 2005: 23).

SICA and the regional integration process constituted in the 1990s make little reference to the participation of local governments. There are some brief mentions in the Tegucigalpa Protocol (1991), in which communities’ development is privileged. Likewise, ALIDES, in its Action Plan, has committed to several efforts for the modernisation of local governments.⁶ However, the initiatives in favour of integration from the local sphere are produced in sources alternative to the official integration bodies. Hence, the existing integration process is directed and constructed on the basis of the central structures of SICA and the state authorities, thus perpetuating a sole integration approach “from above”. The immediate result is that sub-state entity participation in favour of Central American integration

⁶See www.sgsica.org

is carried out outside SICA and, besides, is based on an approach derived from local initiatives or “from below”. In this vision, local governments do not replace the State, but rather they participate in the development of cooperation and coordination policies and actions of their peers through the countries, thus achieving the invigoration of actors and actions which probably would not have the opportunity to progress within the official institutions.

3.1. Municipal associationism in Central America

Throughout the last fifty years, Central American municipalities have carried out important actions with the purposes of constituting diverse types of associations with their peers. This first wave of municipal associationism started with the intermunicipal organisations established since the decade of the 1940s and persisted until the early 1980s. The establishment of the Corporation of Municipalities of the Republic of El Salvador (COMURES) in 1941 initiated this stage and continued with the creation of the National Association of Municipalities of Guatemala (ANAM) in 1955.

Later, in 1962, the Association of Municipalities of Honduras (AMHON) was founded. The last body was the Costa Rican National Union of Local Governments (UNGL) in 1977. During that period, the emergence of a broad set of leagues, associations and county council municipal districts was also promoted in the whole region. However, the absence of democratic governments with effective participation of the people, as well as the presence of a reinforced State in the context of the CEPAL development model that prevailed in all spheres of society, led the local associativism space to a deadlock.

By means of the Esquipulas peace agreements (1987) and the subsequent democratisation of Central America, municipalities gained greater dynamism and relevance within the public sphere. This situation gave municipal associationism a new boost with the creation of the Association of Municipalities of Nicaragua (AMUNIC) and the Association of Municipalities of Panama (AMUPA). A major restructuring of the counterpart organisations was also carried out. This process concluded in September 1991 with the creation of the Federation of Municipalities of the Central American Isthmus (FEMICA).

FEMICA is a founder member of the Consultative Committee of SICA (CC-SICA) and is currently a member of its board of directors. However, the weakness of the Consultative Committee – an official body of civil representation within the integration – reproduces the weakness of FEMICA and of all organisations represented therein. Participation is hampered by the “good offices” of the General Secretariat which, on many occasions, has remained indifferent to the opening of actual spaces in decision-making by the organised groups of the region.

Additionally, the role of FEMICA reflects a reality that is already explicit in the different Central American integration agreements: local governments have no effective participation whatsoever as promoters of an integration agenda. In the integration implementation documents mentioned before, Central American integration obviates the role of sub-state bodies to perform an effective reform in Central America.

The multiplicity and diversity of Central American municipalities (1,198) offers a valuable opportunity to facilitate regionalisation. Frequently, there are multilateral mechanisms of local cooperation, such as



Table 1: Central America. Total of municipalities, associations and federations of municipalities (2004)

Country	Municipal Organisation	Total of Intermunicipal Federations
Guatemala	ANAM	23
Costa Rica	UNGL	12
El Salvador	COMURES	14
Honduras	AMHON	18
Nicaragua	AMUNIC	10
Panamá	AMUPA	2
Centroamérica	FEMICA	79

leagues, federations and county council districts. At present, there are around 79 organisations of the kind in Central America. A large number of the municipalities of the region are associated with the national municipal structures (national associations) and these, in turn, with FEMICA.

As seen in the table above, Central American municipalities have constituted huge intermunicipal networks between them which have allowed them to unify positions and interests, with the intention of elaborating common strategies on the most relevant issues related to their actions. Decentralisation, good local government and municipal finances have been included on the national agendas thanks to the influence of these kinds of organisations. Several actions have been initiated in terms of cooperation for the promotion of common efforts.

Despite this, municipal leagues and associations of municipalities still have a restricted role. National bodies are not important in terms of planning and their efforts end up as merely good intentions.

A positive aspect is that these associations present an important scenario: the possibility of maintaining an open dialogue between sub-state bodies. However, this aspect gives rise to

a discussion about the common limitations and problems, as well becoming a means through which demands are put before the national bodies. Likewise, the above has led to the creation of common projects under different legal provisions existing in the countries.

Evolution towards the creation of an agenda that would construct and influence Central American integration is still pending. Efforts like IDELCA and later CONFEDELCA show that it is possible from local governments to forge an integration agenda. Significant efforts have been seen in some areas. A clear example of these are the efforts between adjoining municipalities which necessarily have a common interest.

3.2. Municipal associationism and cross-border cooperation

In 1997, the Foundation for Peace and Democracy (FUNPADEM) initiated the Project on Transborder Cooperation in Central America to the effects of constructing and consolidating a policy coordinated towards and from the border regions, channelled through the municipalities and other actors of civil society. The Project managed to generate a series of rapprochement mechanisms between the local governments of the cross-border areas. This rapprochement enabled the creation of bonds, alliances and associations which have made possible the arrangements for cross-border cooperation and the development of these regions, within a framework of positive neighbour relations.

The mechanisms for cross-border cooperation are the responsibility of specific municipal organisations in the national sphere, thanks to the forums for understanding established with the Association of Municipalities of each country, for example: the Association of Municipalities of Nicaragua (AMUNIC), the Costa Rica National Union of Local Governments (UNGL), and the

Association of Municipalities of Panama (AMUPA). The political space, achieved in the local sphere by means of this Project, also involved the creation of a network of institutional support at a Central American scale that could guarantee the continuity and monitoring of the initiatives of border municipalities. To these effects, a series of contacts with several non-governmental and academic organisations of the region were made, in order to facilitate the implementation of a register of institutions and persons that work on the strengthening of municipal administration and border development (Matul 2002).

3.3. CONFEDELCA: a common agenda for decentralisation and local development

Barcelona Provincial Council has been committed to the improvement of the cooperation flow as a part of its support programme to local governments of Central America and the Caribbean for more than five years. One of the main cooperation experiences is the Europe-Central America Decentralised Cooperation Programme, in which a significant part of Spanish municipal cooperation was basically carried out by the Municipalities of Barcelona, Leganés and Vitoria, Barcelona Provincial Council, Euskal Fonda and Fons Català de Cooperació al Desenvolupament.⁷

In this context, the Central American Conference for Decentralisation of the State and Local Development (CONFEDELCA) is a space for dialogue between municipalities, their associations, and organisations working for the decentralisation of the State and local development in Central America. It consists of an annual conference held in a city of the region, supported by a network of national committees which work jointly towards the definition of the agenda of each CONFEDELCA.

The Conference was first called in November, 2001 and the host city was San

Salvador, El Salvador. It was organised by the Corporation of Municipalities of the Republic of El Salvador (COMURES), the Municipality of San Salvador, the Guillermo Manuel Ungo Foundation (FUNDAUNGO), the National Foundation for Development (FUNDE) and Barcelona Provincial Council (DIBA), which has been working on the sound and systematic promotion of decentralisation and local development in Central America, providing financing for diverse initiatives from its own resources for decentralised cooperation. More than 600 representatives of municipal governments, national governments and civil society organisations of the five Central American countries attended this first Conference. In addition, civil servants from the US, Canada and other European countries together with representatives of international organisations were present (Enríquez Villacorta, no date).

Among the main goals of CONFEDELCA, we can highlight the following: a) to promote the exchange of experiences and proposals; b) to foster reflection and debate on decentralisation and local development; and c) to establish links between the existing actors and efforts, thus joining them to regional integration.

Conferences are held with the purpose of promoting a broad participation of actors who are indispensable for local development and decentralisation, including, among others: a) municipal governments (national associations of municipalities); b) central government bodies (presidential commissions, municipal institutes, investment funds and ministries); c) civil society organisations; d) parliaments; and d) the private sector.

⁷CONFEDERATION OF COOPERATION AND SOLIDARITY FUNDS. *Municipalismo y Solidaridad: Guía de la Cooperación Descentralizada. Colección Cooperación Municipal al Desarrollo no. 5, Confederation of Cooperation and Solidarity Funds, Barcelona, July 2001.*



One of the most important mechanisms of CONFEDELCA is the institutionalisation of the National Discussion Groups currently existing in Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, with the intention of reflecting, sharing experiences and formulating proposals about the subject matter of CONFEDELCA.

The National Discussion Groups are composed of the same entities as the Organising Committee: municipalities, national governments, civil society, parliament, the private sector. Each country appoints a different body to coordinate the Discussion Group. In Guatemala and Honduras, Discussion Groups are coordinated by the central government. In the other countries, coordination is provided by the national associations of municipalities.

In this way, CONFEDELCA has become a permanent forum for dialogue, reflection, debate, exchange, formulation of proposals and creation of relations between the diverse actors of each Central American country involved in decentralisation and local development.

In addition, one of its most significant contributions is that it has raised the issue and scope of State decentralisation and local development from the perspective of regional integration onto the agenda of all the countries. CONFEDELCA has generated multiple national activities related to decentralisation and local development in the host countries. In the case of Guatemala, a Guatemalan Conference (CONFEDELGUA) was also held, which boosted participation in the II CONFEDELCA, and, in the case of Nicaragua, different regional forums were carried out with similar results. It is worth mentioning that the objectives presented in each of the CONFEDELCA conferences are the result of a high level of cohesion and similarity regarding the problems faced by local bodies throughout the development process.

Perhaps one of the major benefits of this initiative is its connection with municipal as-

sociationism, as it incorporates a national representation of the municipalities in the work of the Discussion Groups, thus promoting the relationship between associations of municipalities, providing them with dialogue and encounter forums in order to detach the political-border issues from central governments. It should also be stated that the common efforts made towards better decentralisation and local development have enabled national associations of municipalities to present a joint proposal of actions and approaches to central governments. This gives rise to a common agenda that, together with associationism, manages to integrate the national efforts into those of regional integration which are based on local development.

CONFEDELCA has striven to incorporate the Federation of Municipalities of the Central American Isthmus (FEMICA) into its working agenda, although it has shown little participation so far, although all the municipal referents (associations of municipalities) comprising this regional organisation having participated in CONFEDELCA. Nevertheless, its participation as an institutionalised regional body has been weak.

3.4 IDELCA: an alternative proposal for regional development

The principal problem affecting the decentralisation process in Central America is the scarce participation of citizens, a fact that has traditionally characterised Latin America as a whole.⁸ This characteristic has historically shown that, in view of the limited participation of citizens, including participation within

⁸*The results of the Citizen Participation Index of 2005 reflect that only 50% of the population in eight countries of Latin America (Argentina, Brazil, Chile, Bolivia, Peru, the Dominican Republic, Costa Rica and Mexico) actively participate in the diverse activities and organisations of civil society.*

Goals 07 CONFEDELCA conferences (2005)

CONFEDELCA I	Strengthen State decentralisation and local development in Central American national agendas.
El Salvador	Increase exchange level based on municipal and national realities, and formulate proposals on the subject of meeting.
	Create a forum to establish contacts and relations among the principal municipal, national, international and regional entities committed to State decentralisation and local development.
	Strengthen political dynamics that connect State decentralisation and local development to the efforts of Central American integration.
CONFEDELCA II	Project and promote State decentralisation and local development from an integrationist perspective.
Guatemala	Strengthen decentralisation and Local development from public institutionality and citizens' participation.
	Continue with the goals and issues tackled in the I CONFEDELCA, but emphasising the regional vision - an integrationist vision -
	Consolidate a paradigm of local development for Central America, wherein municipality change and assumes its role of local government, thus promoting the participation of the citizens.
	Try to incorporate the issues of Decentralisation and Local Development to the respective National Agendas of the region.
CONFEDELCA III	Promote the adoption of inclusive political models by the Central American countries and increase their awareness of gender, ethnic and generational differences, as well as of state reforms orienting the State towards the citizens rather than to the market.
Nicaragua	Progress in the institutionality strengthening process through specific actions related to education for the construction of citizenship, democratization and modernisation of the political parties.
	Develop policies and strategies appropriate to the needs of ethnic communities and indigenous people, in the frame of decentralisation and local development, including adequate financing policies and mechanisms according to their social, economic and cultural characteristics.
	Foster a decentralisation intended to improve the life conditions of all Central American people, facilitate local development and reinforce participatory democratic processes.
CONFEDELCA IV	Approve decentralisation and local development policies and their register in the frame of national policies in all countries.
Honduras	Approve and implement national inclusion, and social, ethnic and gender fairness policies.
	Strengthen local financing, effectively implementing the intergovernmental transfers, improving the territorial distribution mechanisms thereof, promoting changes in the fiscal structure and fostering the application of initiatives and strategies of local economic development.
CONFEDELCA V	Incorporate local economic development as a central axis of the whole activity.
Panama	Strengthen municipal capacities for the territorial management and classification, with the purpose of reducing the impacts of natural disasters.
	Transform municipal services and local human and social development projects in a effective and efficient way.
	Promote and reinforce the process of local, national or regional municipal association.
	Strengthen municipal corporations both for constituting a fiscal base and a professional body of municipal officers.
Source Own elaboratio based on: www.confedelca.org	



their municipalities, the central bodies have acquired several powers and competences which, on the basis of the principle of subsidiarity, should be activities corresponding to sub-state bodies. This scarce citizen participation inherent to the political culture has contributed to the scarce participation of sub-state bodies within the organic state structure.

One of the actions that are being developed to help find a solution to this situation is the Institute for Central American Local Development (IDELCA), an initiative that has emerged in the framework of CONFED-ELCA, which is intended to meet an increasing regional demand for the training of local leaders in order to promote new concepts, methods and experiences of local and territorial development.⁹

In view of the impossibility of dealing with the issues of decentralisation and local development within the institutions of integration, it is fundamental – according to IDELCA – to take into account citizen participation and the strengthening of participation mechanisms in at least three key components:

Training: through a programme intended to provide local leaders with tools, knowledge and methodologies enabling them to broaden and consolidate the efforts in citizen participation that are being implemented in the region.

Research: this line of the Institute will tackle citizen participation from an academic and scientific perspective, providing the Central American community with ideas and proposals for reflection and debate.

Influence: This component, which will be supported in the mass and alternative media, will also seek alliances between social players within an integral approach that is complementary to the other programmes.

It is expected that at least 1,000 leaders will directly benefit during the first years of operation of this Institute. These leaders will

be selected based on: a) their knowledge, according to their experience and accumulated training; b) their commitment to decentralisation and local development in their territories; c) their capacity to transfer their knowledge within instances of local leadership; and d) their creativity to adapt new concepts and methodologies to their local reality.

This kind of initiative promotes greater citizen participation, but, in parallel to this effort, it is necessary to take steps in order to create efficient participation forums. Considering that municipalities demand greater effective spaces within Central American integration, it is also necessary to favour more efficient citizen participation within municipalities. Institutes like referendums and open councils become essential within the decision-making process of the municipalities. With greater citizen participation, municipalities would have better options to demand more effective spaces within Central American integration.

3.5 CC-SICA: a space for participation from above, gaining strength "from below"

The Consultative Committee of SICA (CC-SICA) is part of the structure of SICA, with the idea of incorporating the participation of civil society (including municipalities, which are represented by FEMICA) into the integration process. It is made up of 26 organisations of Central American civil society that group national-based organisations in each of the Central American countries. It is composed of a board of directors and a plenary session.

This Committee encountered some restrictions imposed by the central govern-

⁹IDELCA is supported by the decentralised cooperation of Barcelona Provincial Council, which announced its support during the IV CONFED-ELCA, held in October, 2004, in Tegucigalpa, Honduras

ments and even by the integration structure itself. Due to its consultative nature, it basically formulated proposals and declarations to the General Secretariat of SICA, which would raise these efforts in the Summit of Presidents to its sole discretion. In practice, this body faced the obstacle of not having the financial resources to perform its obligations. Besides, its organic structure did not include an executive secretariat for it to continue its work. These last two elements led the CC-SICA to an impasse in which there was no effective influence on the system, reducing its role to an almost “ghost” body of regional integration.

The lack of incentives by local governments and by SICA itself led its member organisations to develop a series of cooperation initiatives so as to allow them to develop a substantial agenda in order to reinforce its role and to bear an influence on the integration process. It is worth mentioning two initiatives: the creation of national experiences and the elaboration of communication and information tools of the CC-SICA, and the development and implementation of an Action Plan for CC-SICA.

The first initiative seeks to provide CC-SICA with a national basis capable of strengthening its actions, and of recommending and supporting the relevant issues thereof. To the effects of the above, meetings in each Central American country have been held with the participation of national organisations that are members of the Central American networks of the CC-SICA and, additionally, of other civil society organisations. This initiative incorporates the direct participation of the Central American municipalities of FEMICA, enabling them to interact with other organisations in order to collaborate with the work and function to be carried out by the CC-SICA. Moreover,

some other communication instruments are being developed, such as electronic bulletins with varied information, a website and a database.

The second initiative consists of the drafting of an Action Plan already presented to and approved by the plenary session. This plan, which will be presented to the executive secretariats of the SICA bodies, has the following axes:

- Generation and consolidation of an operational structure or management capacity of the CC-SICA and its regulations.
- Identification and constitution of Sectorial Work Committees.
- Promotion and development of national and regional cooperation agreements in order to establish support networks.
- Identification and definition of terms for thematic advice and consultancy services to strengthen the agenda.
- Identification and implementation of institutional and influential relations within SICA.
- Identification of guidelines for the design of an information and diffusion strategy.

This effort to consolidate the CC-SICA as an effective participation space for Central American civil society within the integration process arose from the interest of the networks of this society, with the intention of overcoming the obstacles already mentioned and in order to undertake the role it must have within SICA.

The CC-SICA is the only body that incorporates the participation of Central American municipalities through their FEMICA representation. Therefore, it is really important for said body to assume a relevant role within the integration process, thus facilitating a greater participation



of municipalities than they have at present. Within this process, the role that FEMICA may play within the CC-SICA session and Board should be highlighted, as well as the role of municipalities in the national issues of the CC-SICA, which would allow them to have better dialogue options and national encounters, and, in turn, would facilitate for them the formulation of proposals to be dealt with within the only body of participation of civil society in SICA.

3.6. Decentralised cooperation and local governments

Important municipalities of Central America and Mexico have participated in initiatives of decentralised cooperation, both bilaterally (municipality-municipality or region-municipality) and jointly (several municipalities of Latin America with municipalities or regions of the European Union, as well as with the participation of foreign partners). Despite this, there is no body (public or private) in the region which may provide a systematisation and recording process for the classification of municipal actions in the field of decentralised cooperation.

In many cases, this cooperation has enabled the joint action of local governments and non-governmental organisations, as well as the promotion or follow-up both of central governments entities and of some diplomatic representations accredited in the region. Consequently, in many cases, it has led to cooperation relations quite unexplored so far by official or bilateral cooperation.

These flows of decentralised cooperation, for example, have helped their regional bodies, such as the Federation of Municipalities of the Central American Isthmus (FEMICA) or the Central American Conference on Decentralisation of the State and Local Development

(CONFEDELCA) to promote or strengthen municipal association or integration mechanisms, which on many occasions may not be considered within the agendas of traditional cooperation. For example, Barcelona Provincial Council has established a series of bilateral or multilateral relations with local governments and non-governmental organisations of Central America since a few years ago. Similarly, it has managed to carry out several interventions jointly with central governmental entities and local entities, and with international cooperation bodies as well. In Guatemala, there have been alliances established with the official body of the Presidency of the Republic in charge of the issue of State decentralisation and, in El Salvador, with the National Development Commission.

Likewise, relations with federations of municipalities have been established in El Salvador, such as COMURES, or AMUNIC in Nicaragua, and with international cooperation bodies as the Foundation for Central American Local Development (FUNDEMUCA). Projects related to local economic development have been dealt with in the framework of this programme. Some activities have also been carried out with the Council of Mayors of the Metropolitan Area of San Salvador (COAMSS), the final objective of which was the implementation of a network of local development agencies in 14 municipalities of the metropolitan area of San Salvador and in the seven districts of the capital city.

On the other hand, it has developed several training and technical assistance activities in terms of local development with non-governmental organisations such as the Foundation for Development (FUNDE) and the Guillermo Manuel Ungo Foundation (FUNDAUNGO), with headquarters in El Salvador. Actions for the enhancement of human resources in local government, furtherance of the transfer of knowledge, and the provision of technical

assistance to improve management abilities in the local sphere have been promoted in this context.

In the case of Spanish funds, decentralised cooperation is very recent; however its importance and amount have increased considerably during the last decade. In 1990 the percentage contributed by decentralised cooperation to Official Development Assistance was 2.4%, while in 2000 it increased to 15.7%, according to a study by the CI-DOB Foundation (Haedo, no date).

For example, Central America and the Caribbean represent one of the regions in which the Fons Català centres its activities. In 2001, of 152 approved projects, 32 were devoted to the support of initiatives for the strengthening of local development and 17 had intended to contribute to the municipalism of the region. On the other hand, Euskal Fondoa keeps a permanent support line to Central America with the purpose of contributing to local or micro-regional development projects, which were initiated in Nicaragua, Guatemala and El Salvador. Between the years 2001 and 2003, Euskal Fondoa approved 43 projects, half of which were implemented in the area of Central America, Mexico and the Caribbean. Seven of this total belonged to the field of municipalism.

One of the greatest weaknesses of this cooperation flow lies on the fact that it is poorly classified and does not have the expected impact. Each initiative has its own management and action model for this type of cooperation. The subject matter and orientation of the processes has also been dispersed. However, actions like those of the Euskal Fondoa, Fons Català or Barcelona Provincial Council, among other examples, have managed to create inter-Central American forums in which actors from central governments, non-governmental and local governments usually converge. As a result of this, on some

issues it was possible to initiate an open and transparent dialogue on key matters in the region (decentralisation, gender, among others) and, on the other hand, transnational spaces of intermunicipal cooperation were created.

4. Conclusions

In general, it is clear that SICA has persistently favoured the regional processes elaborated “from above”, from national governments or multilateral non-governmental bodies, while the local initiatives emanating from civil society have received very little official attention. Consequently, the Free Trade Agreement with the United States reasserts the tendency of the last 10 years by privileging those actions connected to trade and the development of regional infrastructure as the essential mechanisms to improve the quality of life of the region’s peoples.

The negotiation of the “external agendas” reveals a tendency which reduces the participation of SICA institutions in comparison with the private interests of each one of the States under review. In this regard, we can assert that the priorities of each of the agendas do not consider the reform of SICA or the mechanisms to guarantee its financial sustainability either. Thus, the confused structure of SICA, the lack of coordination between national policies, the lack of interest of some states in the integration process and the limited clarity of the performance of the institutions of integration, have led integration to be simply disregarded at the time of crucial decision-making for all the region. Unfortunately, integration “from above” also leaves those initiatives originating from civil society organisations and local governments in a difficult situation.



The only participation space within the institutions of SICA is the Consultative Committee (CC-SICA), though it is subject to the “goodwill” of the General Secretariat, which is in charge of channelling proposals and initiatives emanating from this Committee. However, some important efforts are being made towards the strengthening of its role and influence, in order for municipalities and other organisations to be able to work jointly and to get involved in CC-SICA negotiations, so as to present proposals and ideas to SICA.

Sub-state bodies have taken advantage of international cooperation through initiatives such as CONFEDLCA, IDELCA and cross-border projects to formulate integration proposals which are beyond the scope (or almost) of SICA. This type of initiative has led to the elaboration of Central American common agendas, to which municipalities have committed themselves and integrated as relevant agents of local and regional development. It should be stated that such agendas do not exclude the participation of states and state institutions either.

Yet sub-state initiatives do not have coordination elements within the structure of SICA, perhaps due to the role of the mu-

nicipality within the national area. Central American local governments have neither representation nor a real strengthening agenda. The only representation to CC-SICA is FEMICA. Nevertheless, the new structure of national events will lead to the greater participation of municipalities within this same body.

Finally, better participation is required in order to strengthen local governments, which calls for some actions to be implemented, including:

- The redesign of the Central American Integration System, reorganising its institutional structure so as to articulate a regional agenda based on cooperation spaces which go beyond the scope of trade;
- The creation of participation forums of governmental bodies so far not resented; and
- The professionalisation of municipalities and deepening of decentralisation, in order to bring local governments closer to the citizens, thus improving the region's participation quality.

ABBREVIATIONS

ALIDES	Alliance for Sustainable Development
AMHON	Association of Municipalities of Honduras
AMUNIC	Association of Municipalities of Nicaragua
AMUPA	Association of Municipalities of Panama
ANAM	National Association of Municipalities of the Republic of Guatemala
BCIE	Central American Bank for Economic Integration
IDB	Inter-American Development Bank
CCJ	Central American Court of Justice
CC-SICA	Consultative Committee of the Central American Integration System
CASC-UCA	Centre for Socio-Cultural Analysis of the Central American University
CEPAL	Economic Commission for Latin America and the Caribbean
CEE	Economic Cooperation Committee of the Central American Isthmus
COCATRAMComisión	Central American Commission for Maritime Transportation
COMURES	Corporation of Municipalities of the Republic of El Salvador
CONFEDELCA	Central American Conference for Decentralisation of the State and Local Development
DEMUCA	Central American and Caribbean Foundation for Local Development and Municipal and Institutional Strengthening
FLACSO	Latin American Faculty of Social Sciences
FUNDE	Foundation for Development
FEMICA	Federation of Municipalities of the Central American Isthmus
ICAP	Central American Institute of Public Administration
IDELCA	Institute for Central American Local Development
INCAE	Central American Institute of Business Administration
INCAP	Institute of Nutrition of Central America and Panama
CAMC	Central American Common Market
ODECA	Organization of Central American States
UNDP	United Nations Development Programme
PPP	Puebla-Panama Plan
PARLACEN	Central American Parliament
SECMCA	Executive Secretariat of the Central American Monetary Council
SICA	Central American Integration System
SIECA	Secretariat for the Economic Integration of Central America
SG-SICA	General Secretariat of the Central American Integration System
UNGL	Costa Rica National Union of Local Governments



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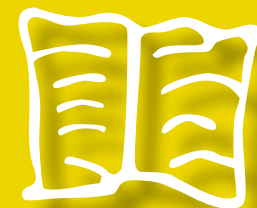
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Case Studies: Practices, Models and Instruments

The French approach to decentralised cooperation

KEY WORDS

*Decentralised cooperation |
France |
National Commission for Decentralised Cooperation |
United Cities of France |*

Decentralised cooperation had its origin in France after the Second World War by means of twinning between cities, which may be the reason why this country is one of the most active in the field of development cooperation. More specifically, French decentralised cooperation in Latin America has a significant dimension (over 100 million euros for decentralised cooperation initiatives addressed to development).

This article features the reality of decentralised cooperation in France. To that end, it analyses the legal framework of decentralised cooperation in the country and describes the main actors and its institutional mechanism, among which the National Commission for Decentralised Cooperation of the Ministry of Foreign Affairs stands out.

Furthermore, it includes a description of the debate on the limits and capacities of French decentralised cooperation and a set of descriptive indices of decentralised cooperation agreements that illustrate the reality of this phenomenon in France.

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1. The origin of decentralised cooperation

Cooperation was defined within the context of the 1970s, characterised by decolonisation and the Cold War. Decentralised cooperation appears as an innovative cooperation modality, both in its orientations and in its ways of participation, which is framed within a profound innovation of international relations.

Decentralised cooperation was historically born from the twinning of localities after the Second World War. At first, twinning involved mostly French municipalities and German municipalities interested in European reconciliation and construction. This movement was broadened to cover European municipalities willing to reinforce the peaceful coexistence between the Eastern and Western blocs. The target of this cooperation was peace, and the participation modes prioritised visits and cultural exchanges. This movement was rapidly confirmed by the creation of the FMCH (World Federation of Twinned Cities) in 1957, which became the FMCU (World Federation of United Cities) in 1989.

Decentralised cooperation gained force after the independence of the colonised territories, towards the end of the 1970s. The drought in the Sahel represented a landmark and played an important role in public awareness and mobilisation. Decentralised cooperation not only represents the emergence of new actors, local powers and NGOs, but also enables the materialisation of new forms of participation, which differ from the other modes of bilateral and multilateral cooperation by focusing on the proximity and participation of populations, confronting micro-projects with spectacular and technocratic actions, and connecting humanitarian

aid with action for development. Likewise, it adopted the idea of partnering posed by international solidarity associations.

As from the 1970s, rapprochement between localities extended to Southern countries. Cooperation agreements between local authorities were made official, in order to replace the twinings which no longer tallied with the nature of the exchanges pursued and which were criticised as it was considered that all they did was encourage formal and expensive trips. These cooperation agreements were the threshold to decentralised cooperation. Such agreements were sponsored by political leader and many citizens from local authorities. Decentralised cooperation was developed and diversified as the French administrative organisation was decentralised and granted more autonomy to local powers.

French cooperation policy broadened and diversified. Aside from governmental cooperation, several actors developed new forms of participation. Decentralised cooperation between territorial authorities occupies a special place within this set. Particularly, it is worth mentioning two new complementary forms of cooperation with decentralised cooperation: non-governmental cooperation, carried out by international solidarity associations and humanitarian aid associations, and the cooperation of immigrants, which took place among communities and associations of citizens coming from migrations, who were sensitive to relationships with their countries and regions of origin.

The strength and specificity of this movement were officially acknowledged by the Law of 1992 which conferred a legal basis on decentralised cooperation and contributed to giving it a new boost. This law definitively recognised the power of lo-



cal authorities to lead cooperation with local authorities – autonomous or otherwise – acknowledging their competences and the international commitments of France.

2. The legal framework of French decentralised cooperation¹

Los poderes locales estuvieron en el origen Local powers were present at the origin of decentralised cooperation and provided it with its full meaning. Nevertheless, it is the governments who hold the monopoly of representation abroad and control foreign relations. They have to define the legal and institutional framework imposed on all national individuals or collective actors, whether companies, associations, institutions or local powers.

The issue of the legal and institutional framework is crucial for the consolidation of decentralised cooperation. In many countries, partnerships are complex due to the inadequacy of laws and regulations, and to the need for prior administrative authorisation which hampers cooperation agreements. However, it must be pointed out that there is a tendency towards the recognition of certain autonomy as regards decentralisation. An effort to encourage the convergence of legal frameworks at international level would greatly favour decentralised cooperation.

In France, the Orientation Law of 6 February 1992 regarding the territorial administration of the Republic, established under its Title IV the legal framework for decentralised cooperation. The wording sets out that “territorial authorities and their county council districts may enter into covenants with foreign territorial authorities and their county council districts, within the limits of their competences and respect for France international commitments. Such

covenants will come into effect as soon as the representative of the state receives due notice thereof under the pertinent conditions”.

The definition of decentralised cooperation is formalised in the Law of 4 February 1995 and recovered in the memorandum of 20 April 2001. Decentralised cooperation includes the set of international cooperation actions carried out by means of covenants with a common interest objective by one or several French territorial authorities (regions, departments, municipalities and county council districts) on the one hand, and one or several foreign authorities on the other, within the frame of their mutual competences. Decentralised cooperation is defined only with regard to its actors rather than its purpose or content.

Decentralised cooperation entails the cooperation among French and foreign territorial authorities (or their county council districts) performed under their sole and full responsibility. Territorial authorities may resort to other actors – NGOs,² companies, public and para-public agents – but they keep the responsibility and definition of their actions. Likewise, they may not enter into any covenant with foreign states. This prohibition includes sovereign states but not federated entities, whether they be denominated as “states” or otherwise.

Although they may enter into covenants with foreign territorial authorities, French territorial authorities and their county council districts are not subjects of International Law, as this characteristic belongs exclusively to states and international organisations, and territorial authorities may

¹*National Commission of Decentralised Cooperation. Legislative texts, decrees, memoranda, definition and legal context.* <http://www.diplomatie.fr/cncd/>

²*Coordination Sud (National Coordination of French international solidarity NGOs):* <http://www.coordi-nationsud.org>

not enter into any covenant relating to the exclusive competences of the State.

International organisations are excluded from the sphere of decentralised cooperation. However it could be possible that, as a result of agreements entered into with foreign territorial authorities, territorial authorities may grant purpose or funding contracts, or act as operatives for the United Nations or for an international organisation.

The agreements, whether declarative or regarding financial, material or regulatory commitments of authorities, distinguish decentralised cooperation in all its modes of participation. They have to define the reciprocal commitments, provide for control and guarantee that potential litigations will be solved. The general principles governing the elaboration of these agreements are based on the observance of legislative and constitutional regulations; they specially set out the equality of citizens before the public entities and the equality of users before the public services, as well as the freedom of trade and freedom of industry.

The legal framework for decentralised cooperation was very well received (Massiah 1994), it enabled considerable development and it proved to be quite well adapted to further evolution. Its permanent updating gives allows its interest to be measures, while it is uncovering new contradictions. In this manner, in July 2004, a memo provided a legal framework for the activity of local authorities to support emergency humanitarian action. In addition, the 2005 Oudin Act on cooperation in the sphere of water and sanitation is innovative in terms of decentralised cooperation, as it establishes an objective with regard to the Millennium goals and a financing limit defined at national level. This law reveals certain ambiguities in the French conception of decentralised cooperation de-

finied by a technical objective rather than by a political one. It shows that decentralised cooperation may be considered as a delegation of governmental cooperation and as a decentralisation of cooperation, while territorial authorities regard it as an exercise of their autonomy in the international sphere.

At present, one of the main problems has to do with the competences of territorial authorities. These competences are made up of the general powers coming from the decentralisation laws and other legislative texts, as well as from the general clause of competences. This clause confers on any territorial body the capacity to participate in all concerning local spheres of interest. However, as the legislator did not take local interest into account, this participation is carried out under the control of the administrative judge, who may assess its legitimacy, where appropriate.

So, jurisprudence defined the local interest which determines the capacity of action of local authorities. From this point of view, decentralised cooperation needs to fulfil three criteria: to be justified by the claim of public interest (whether by contrast to private interest or by lack of private initiative); to be of direct interest to the population involved (it includes the notion of reciprocal interest of both parties in the frame of an agreement); and to be in keeping with the principle of impartiality.

Although the law authorises local authorities to use both its general clause of competence and the competences specifically delegated by the State in the context of decentralisation, it does not delineate how and where decentralised cooperation responds to the interest of a territory. This uncertainty, which is object of disputes, has brought about true legal insecurity. So, in several regions, some appeals lodged by political



leaders before administrative courts have caused a budget block, as it was difficult to prove the direct interest of territories in the projects presented. It is necessary to make a legislative adaptation to solve this matter.

This legal framework has proved to be quite well adapted to the French institutional context, but has led to a restrictive definition of decentralised cooperation, which exclusively implies the action of local authorities. Yet the definition of decentralised cooperation is not the same for all actors, and it differs according to countries. In some cases, it involves mainly municipalities or NGOs, sometimes a combination of both. This would be a European definition of decentralised cooperation. In its broadest meaning, it may be defined that decentralised cooperation characterises a long-term process which is of a specified length, sphere and sector, with a wide range of actors involving operators (local authorities, association and NGOs, decentralised institutions, professionals, economic agents) who directly take part, at local or regional level, with the participation of citizens or producers.

So we come back to the relevance of defining an international institutional framework for decentralised cooperation. Decentralised cooperation contributes to the emergence of new international relations; corresponding to the movement for the broadening of worldwide and international relations which are inserted in each society and contribute to their transformation. It is part of the establishment of cooperation relationships between societies, taking into account the relevance of cooperation between governments but without simply being restricted to it, and accompanies the appearance of a new context which associates new actors (local authorities, companies, associations, NGOs) with the international system.

3. The actors and the institutional mechanism

French local authorities and their local authority partners are the foremost actors. “All the regions (26), three quarters of the departments (76), the group of big cities, and four in five medium-sized cities but also intermunicipal institutions and an increasing number of small municipalities have undertaken action with an international dimension. Decentralised cooperation, starting from the notion of a covenant freely entered into with a foreign territorial partner and the actions of economic and cultural promotion, gave way to the presence of 3,250 French territorial authorities in 115 countries on all the continents. The interest of this freedom that they have won, materialised by the Law of February 6, 1992, has been perceived by subsequent governments, and it progressively appears as a modern form of influence and solidarity, of exchange of management experiences, at a time when local powers are organised at world level, and they want to be heard by the states and by the international community”. (French Ministry of Foreign Affairs (MAE) 2003). Later we will come back to the significance of territorial authorities’ partners in this process.

Local authorities committed to decentralised cooperation include an increasing number of local actors and engage them in the agreements. So we find international solidarity associations, associations committed to humanitarian action, immigrants’ associations, cultural associations and, specifically, those involved in cultural exchanges. This circle is broadened to cover the associations committed to solidarity, who develop a complementary international dimension of their main action. By way of example, we can mention: farmers’ organisations and workers’ trade unions; professionals’ associations (phy-

sicians, lawyers, researchers, etc.); associations of unemployed or homeless people, environmentalists' and consumers' associations, associations of citizens, women and young people, etc. These associations contribute their commitment, knowledge and members, and represent the social basis of decentralised cooperation around one single value: international solidarity.

This constant mobilisation of wide sectors of the population reveals day after day that the international solidarity movement is not a minority and that it easily overcomes – as regularly proved by polls – the reflexes of selfishness and individualism which are used to justify the lack of commitment. Political leaders are more and more sensitive towards this mobilisation, which gives grounds to the legitimacy of decentralised cooperation. International Solidarity Week, organised the third week of November of each year by initiative of the international solidarity associations, includes thousands of local initiatives, a significant number of which are based on decentralised cooperation actions. French local authorities are increasingly involved in these mobilisations.

The grids for analysis which allow us to understand this evolution are being drawn up. Different notions overlap: civil society, non-governmental organisations, the associative sphere, citizen and social movements, the alterglobalisation movement, public opinion, social conscience, etc. The fact is that decentralised cooperation is extended to other actors, and most of all, to economic operators and companies, to all kinds of institutions (educational, social, health, etc.) and to public services. There are intermediate spaces, rich in their contradictions, which renew the categories. This is the case of the social and supportive economy, which reveals an insolent intention through its expansion: the convergence of solidarity and efficacy, of mutualisation and

economic answers, of access to rights and the capacity to be up to the challenges and needs. Convergence between mobilisation and economic participation is expressed through multiple movements and campaigns (fair trade, farmers' markets, the Clean Clothes Campaign, the economic, social and environmental responsibility of companies, etc.). The plurality of economic actors is more evident; they include local work centres of multinational or national companies, but also local companies, operators in the institutional and social economy of regions or municipalities, actors in the solidarity economy, etc. In this way we confirm that the local production of wealth comes from a combination of contributions, and we understand what is expected from it in terms of meeting needs, of employment and income, of respect for ecosystems, of proximity and opening to the world.

Decentralised cooperation participates in the construction of local coalitions. Local actors coordinate with each other and organise around networks. Regional – and sometimes departmental – structures organise international cooperation conferences each year. Institutions of decentralised cooperation are also created at regional level. Regions promote the creation of multi-actor coordination. Associations often prefer to create associative coordinations which could coherently participate in multi-actor coordination platforms instead of participating individually. It is worth mentioning the symmetry that comes from partnerships, which is a consolidating factor. The figure is no longer that of a partnership between two territorial authorities in which each contributes its local actors, but that of a partnership between local coalitions which intersects institutional, associative and economic partners. Local authorities are the cornerstone of institutional cooperation and, in exchange, they benefit from a broadened commitment. In each of the authorities, local



democracy is enhanced with this international dimension.

Coordination between local authorities involved in foreign action is mostly in the hands of the associations of political leaders. There is a large number of politicians' associations, and the scenario is being restructured in accordance with a global unification of local authorities. The three general national associations, the French Mayors' Association (AMF), the Association of French Departments (ADF) and the Association of French Regions (ARF) closely follow international cooperation and decentralised cooperation through its commissions. Two associations are more directly focused on international action in cities: the French Association of the Council of European Municipalities and Regions (AFCCRE) to a certain extent represents the French territorial authorities before the European Union. The United Cities of France (CUF) association is the most directly involved in decentralised cooperation. It organises groups of countries that gather and advise the authorities involved in a same country or region; it takes charge of training, promotion and production actions.

International networks represent a key coordination element of local authorities between themselves and with their partners. The creation of United Cities and Local Governments (UCLG),³ from the merger of the international associations IULA, FMCU and Metropolis, set up a world forum of local authorities. This movement, started at Habitat 2, held in Istanbul in 1996, underlines the emergence of local authorities as recognised international actors. Decentralised cooperation, which represents one of the bases of the legitimacy of this new movement, should benefit from it and experience a significant boost. Several UCLG commissions stem from networks and the links established by means of decentralised cooperation. These networks

are also distinguished by the evolution of decentralised cooperation, with the convergence between local authorities and the associative movement. For example, the network Forum of Local Authorities (FLA), born at the World Social Forum of Porto Alegre, is directly related to the "Social inclusion" commission of the UCLG. The same is the case of the Forum of Local Authorities of Peripheral Areas, which is directly engaged in the issue of the periphery of the big cities. We should also mention the Network of Local Authorities, which declared their territory as "not included in the General Agreement on Trade in Services" (GATS) to express their resistance to the consequences of the GATS on local democracy, prepared in the frame of the World Trade Organisation (WTO). This network already gathers 2,000 local authorities in Europe, 640 of which are located in France.

There are other international networks of political leaders that play quite a significant role in the coordination of authorities involved in international cooperation. This is the case of the Association of Mayors of Large Cities of France (AMGVF) and the International Association of Francophone Mayors (AIMF), strongly supported by Paris City Council, which provides access to funding for francophony. Likewise, some networks of local authorities are constituted with the aim of presenting funding files to the European Union and other international institutions (UN Habitat, UNITAR, FAO, UNESCO). Special mention should be made of the LGDMP programme (Local Governance and Development Programme) of the UNPD and the World Alliance of Cities Against Poverty (Cities Alliance). There are also associations of politicians who play a special role in some large regions (Citynet in Asia, the Partnership for Municipal Development in Africa, etc.).

³<http://www.cities-localgovernments.org/uclg/web/francais.asp>

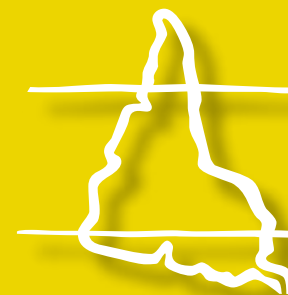
The French government defined the institutional mechanism that organises, at a national level, the coordination of the French local authorities involved in decentralised cooperation. The position of delegate for external actions of local authorities, created in 1983, collects and disseminates information on the external action of national authorities and, since 2003, the annual poll on decentralised cooperation. It encompasses the secretariat of the National Commission for Decentralised Cooperation (CNCD), established by the Law of 1992 which will be progressively set up. CNCD, chaired by the Prime Minister, is made up of the politicians designated by the national associations of such politicians (Mayors' Associations – AMF, Association of Departments – ADE, and Association of Regions – ARF) and by the representatives of the State (the general directors of sixteen large national administrations). Politicians and administrative heads discuss, in equal conditions and with full freedom, the means to reinforce decentralised cooperation, to assess its effects and to disseminate its achievements. From 2003, the web page of CNCD became a true reference for any issue related to decentralised cooperation. Two directorates-general play quite a significant role in the support of CNCD: the Directorate-General of Local Authorities (DGCL) of the Ministry of the Interior and Local Administrations is in charge of the legal follow-up, and the Directorate-General for International Cooperation and Development (DGCID) guarantees the political monitoring, from the State point of view, defines the orientations and mobilises the means in connection with the cooperation and cultural action services of the embassies.

This institutional mechanism of decentralised cooperation reflects the evolution of the French institutional sphere and of the relationships between the State national administrations and the local authorities. The

State maintains possibilities of participation of an initiative type, mostly by means of co-financing, but it may not impose orientations imperatively. The legislative and regulatory considerations are in the hands of the judicial instance, while a joint body is in charge of deciding and monitoring evaluation. Freedom of initiative and of coordination is provided following prior control and declaration.

There is an open debate about the complementarity between the local and national level. The idea is to construct a strategy corresponding to a new dynamic between decentralised cooperation and bilateral cooperation. This proposal is part of the evolution of decentralisation in France, establishing a new relationship between the State and local corporations in which bilateral cooperation and decentralised cooperation articulate with each other through contractualisation based on shared strategic objectives (Noisette et al. 2005b), which would lead to establishing a kind of appropriate triangular mechanism between the directorates of the Ministry of Foreign Affairs in charge of bilateral cooperation, those in charge of decentralised cooperation and the diplomatic posts, while it would search for convergence between bilateral cooperation and decentralised cooperation based on strategies and agreements negotiated with the partner state and between the decentralised authorities.

Such a strategy would be based on the coherence of the actions of the State and those of the local corporations. Obviously, it would be accompanied by a significant engagement of networks of local authorities whose development and consolidation in the countries of the South also represents an important challenge (national, regional and cross-border networks). The role of capitalisation and support to be played by a nation-



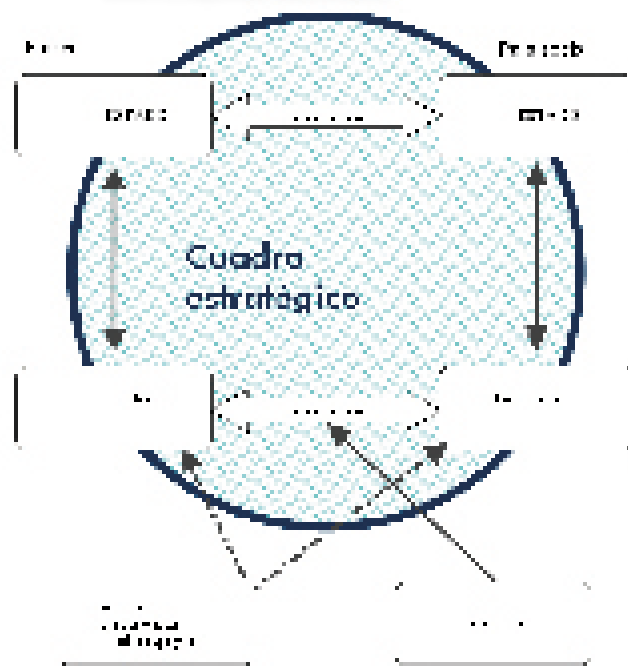
al network of local authorities – advised by a network in the partner country or internationally, is clear. It would involve capitalist partners – including the AFD, which could take part, on the one hand, based on State policies at a bilateral level and, on the other, on the basis of the partnerships that existing at decentralised level. Likewise, it would allow to take into account, in the sphere of international cooperation, the legitimacy of international institutions, especially of the system of the United Nations, of the European Union, of territorial cooperation, of associations and of NGOs. Evolution of the other actors does not invite it to regress, but to develop new functions of strategic production, of drive and of joint work.

3.1. Some quantitative data on decentralised cooperation

The annual survey performed by the delegate for external action of local authorities provides access to global data. However, some prior observations ought to be made. On the one hand, data is not always comparable with those of other countries given the restrictive definition given by the French government for decentralised cooperation. Data is restricted to actions carried out by local authorities under their responsibility. In particular, they do not include non-governmental cooperation performed by the associations often referred to as NGOs. On the other hand, such data refers to all the external actions of local authorities and, therefore, goes beyond decentralised cooperation. In particular, it includes actions carried out for the economic promotion of local authorities and outside the partnership agreements. Consequently there is a bias, and the difference may be significant, especially for the regions. But, on the other hand, as it develops, decentralised cooperation influences the nature of exchanges and modifies the attitudes of local corporations in their external action.

According to all the studies, despite the global context of the reduction of public aid to development, decentralised cooperation is experiencing an important increase both in terms of resources and in the number of authorities involved, in part perhaps as an answer to this context. It is difficult to assess the actual resources invested in decentralised cooperation, considering the diversity of actions and the nature of such resources. However, such assessment represents an important challenge for the State, insofar as decentralised cooperation could integrate the calculation of PDA (Public Development Assistance) to fulfil the commitment undertaken by France at the Monterrey Conference: to

Cuadro 1: Dispositivo triangular de articulación entre cooperación bilateral y cooperación descentralizada



Fuente: ACT-Consultants (2005).

reach a level of public development assistance of 0.5% of GDP by 2007.

This is the data provided on the web page of CNCND for the 2003 survey:⁴

“In total, almost 3,250 French authorities or county council districts listed, for more than 6,000 cooperation relationships in 115 countries. By the number of relationships recorded and for its seniority, the European Union holds the first place by far (4,200 relationships), with a large number of French-German partnerships (currently 1,800).

Aside from the fifteen countries of the European Union, the rest of the world currently represents 1,983 relationships recorded in the database of the National Commission of Decentralised Cooperation (CNCND). Within this group, pertaining to different development levels and to quite varied cooperation incentives (economic, institutional, cultural, solidarity), it is possible to distinguish:

1. For the Priority Solidarity Zone (PSZ, 54 countries): 640 relationships, that is, 32.8% of the total – not counting the European Union, distributed in the following manner:

- sub-Saharan Africa and the Indian Ocean, 460, with a focus on Burkina Faso, Mali and Senegal (260 relationships for these three countries alone);
- North Africa / Maghreb, 122 (49 in Morocco, 43 in Tunisia and 30 in Algeria);
- Southeast Asia, 27, mainly in Vietnam (22);
- the Caribbean, 24 (of which 11 are with Cuba);
- Others, 5.

2. For “middle” and eastern Europe: 626 relationships, that is, 31.4% of the total, not counting the European Union, concentrated in Romania and Poland (187 and 168 relationships respectively), 51 relationships with the Czech Republic, a recent development in Hungary (50) and a significant presence in Russia (49).

3. For the developed countries, not counting

the European Union: 497 relationships, that is, 25.6% of the whole not counting the European Union (136 of which are in the United States and 143 in Canada).

4. For emerging, intermediate or developing countries outside the PSZ: 220 relationships, that is, 11.2% of the total, not counting the European Union.

It may be underlined that for the 52 countries of the francophone group (members of the OIF – International Organisation of Francophony – plus Algeria), 1,352 relationships are recorded, which may be included both in the geographical categories indicated or as pertaining to the PSZ.

To these partnerships, included in the database of CNCND pursuant to article L.1112-6 of the General Code of Territorial Authorities, are added several unilateral operations of regions, departments, municipalities or county council districts, particularly of economic or cultural promotion abroad, as well as partnership relationships for which preliminary contracts are being drafted, which can later give way to the signing of agreements of decentralised cooperation.

The sums allocated by territorial authorities to external action amounts to around 230 million euros. Approximately half of it, that is, 115 million euros, is aimed at developing partners. The co-financing granted by the Ministry of Foreign Affairs rose to 11.77 million euros in 2002.

1. Expenditure on external actions of local authorities and county council districts, mostly corresponding to decentralised cooperation actions but which may include a significant proportion of economic promotion, particularly for the regions.

2. Estimations “in favour of development” which involve all developing countries in

⁴<http://www.diplomatie.gouv.fr/cncnd/>

Table 2: Financial data. Distribution of expenditure on development cooperation (estimate)

TOTAL		Of which Development Actions
Regions	82 M	33 M (approx. 40% of expenditure)
Percentage of the total	36%	
Departments	24 M	13 M (approx. 55% of expenditure)
Percentage of the total	10,6%	
Municipalities and County Council Districts	122 M	69 M (approx. 56% of expenditure)
Percentage of the total	53,4%	
TOTAL	230 M	115 M (approx. 50.3% of expenditure)
That is	100%	

Source: CNCD

the sense of the international nomenclature and not only the PSZ.

3. In the framework of regular and moderate growth, the part of county council district actions have tended to increase in the past few years. Sixty-nine county council districts are currently involved in decentralised cooperation..

4. Geographical distribution is described and fixed in the “Guide to decentralised cooperation” (La Documentation française, Nov. 2000). The zones elected by French territorial authorities are: first and foremost, Francophone Africa, then China and Southeast Asia, a still-limited presence in South America, interesting beginnings in Lusophone and Anglophone Africa, and a strong presence in the countries of “middle” Europe (Poland, Romania, Hungary, etc.).

5. These figures come from an estimate based on a set of surveys performed in the framework of the National Commission for Decentralised Cooperation (CNCD). By law, the Commission is in charge of “establishing and

updating the status of decentralised cooperation carried out by territorial authorities. It may also present any proposal contributing to its reinforcement”.

Geographical coverage of French decentralised cooperation is quite uneven. (MAE 2003).

Relationships with authorities of Western Europe remain very active. In the last decade, relationships were developed with central and eastern Europe, and their shape was very similar to that of decentralised cooperation. They were particularly strong with Poland, Hungary and Romania, and were reinforced by the PHARE Programme, which furthered “institutional twinning” with countries involved in the process of European accession.

French local authorities have interventions in almost all the ACP (Asia-Caribbean-Pacific) countries, and more specifically in the signatory countries of the Cotonou Agreement. The privileged partnerships of local authorities and NGOs were quite involved in the 54 countries of the Priority Solidarity Zone (PSZ), even before it was defined as a priority framework for cooperation by the French government authorities.

Decentralised cooperation is first and foremost oriented towards sub-Saharan Francophone Africa and, particularly, to Western Africa. The recent evolution evidences a significant increase in Portuguese- and English-speaking countries, and specifically in South Africa. In Maghreb, decentralised cooperation is progressing, despite the weight of central powers with regard to the autonomy of local authorities. In these two areas – Africa and Maghreb, decentralised cooperation is a lot more concentrated in countries and regions of origin of immigrant groups.

Though it dates back a long time way, decentralised cooperation with Latin America is going through some difficulties, but we will come back to it later.

Southeast Asia is a region of active development of the decentralised cooperation of the French local authorities, especially in Vietnam, extending towards the Mekong Basin. In the 1990s, China was particularly attractive, with over 70 French local authorities carrying out activities of decentralised cooperation or of economic promotion. On the other hand, the rest of Asia is very little involved and India is disregarded.

Diversification of geographical zones is highly connected to the expansion of the large cities and of the French regions. From a certain size, territorial authorities hold multiple agreements in different areas of the world (more than five for regions, almost three for departments, and between four and five for large cities). Once the agreements with the most frequent zones are established, the new partners of large cities and regions extend the field of decentralised cooperation towards new zones of the world. It is a new stage in the history of partnerships.

3.2. Evolution of the modalities of decentralised cooperation

Local authorities engaged in decentralised cooperation insist on the specificity of this cooperation. It was recently formulated as follows:

“The specificity of decentralised cooperation rests on three pillars: institutional legitimacy, cooperation from territory to territory and durability. Decentralised cooperation has territorial and institutional legitimacy. It is driven and carried out by elected European local authorities who work with authorities in the South that have “territorial legitimacy” and are increasingly elected by the people. This legitimacy is the basis of the deeply democratic character of decentralised cooperation, it guarantees proximity with the population of the territory and

grants the capacity to design and apply public medium- and long-term policies to the local corporations involved. Decentralised cooperation is a cooperation of proximity that weaves bonds between territories. Local authorities promote and coordinate activities and provide them with a frame of coherence. They mobilise the various actors in their respective territories. They build up synergies between solidarity associations, immigrants’ associations, economic operators, professionals and various local institutions. The decentralised cooperation of territorial authorities guarantees perpetuity. It is based on a local political commitment, and it is materialised through the subscription of framework and pluriannual agreements, less sensitive to public financing fluctuations which are, at least, triennial.” (United Cities of France 2004)

Around these common denominators, decentralised cooperation is made up of a great heterogeneity of practices depending on the approach, the resources invested in the cooperation, the type of territorial cooperation (municipalities and county council districts, departments, regions) and the participating countries.

Decentralised cooperation represents an opportunity to define common projects between different actors, and to experience new relationships between actors from the North and South, different types of operators, and participation on several territorial scales.

Decentralised cooperation was innovative to the extent that it introduced a new type of cooperation, which entailed the construction of long-term partnerships between institutions, associations and operators from the North and South. The choice of long-term partnerships transforms the traditional modalities of cooperation between States (different types of conformation, ex-



perience, financing, projects execution) and decentralised cooperation practices transform their nature and turn them into actual innovations.

Partnerships enable the gradual correction of one of the congenital deformations of decentralised cooperation. Partners often regard it as a cooperation offer, sure of itself and of its modernity, ready to help groups in real need and, in particular, without the power to define their own models and design the future. This offer of cooperation seeks a demand to match its expectations. There is not always a “mirror demand” which is just the reflection of their own expectations. In turn, long-term partnerships allow partners to have a better knowledge of each other and to learn to value each other. It also allows for those willing to “come to help” to realise that they have a lot to learn, and that little can be given if you don’t know how to receive.

Thus, partnering gives the possibility to start a process that goes beyond the relationship of offer and demand. But we can analyse the nature of expectations and needs corresponding to a given type of demand. One of the most promising possibilities is to rely on associations of political leader in order to collectively discuss the expectations and disseminate the results of the cooperation agreements. This is the case of the national and regional associations of local politicians and of the specific associations. For example, in Africa, there is the Partnership for Municipal Development (PMD) through its formations and programmes, in particular the Pan-African meeting of mayors *Africités* allows African territorial authorities to consolidate their expectations and proposals. Participation in international networks of authorities, engaging politicians in the execution of a shared international project, gives a common meaning to

partnership, and frames it within one and the same perspective.

One of its particular modalities is the exchange of experiences which turns decentralised cooperation into one of the ways of cooperation closest to the literal definition of the term “cooperation” in contrast with “aid”. Such a partnership between analogous actors gives way to the exchange of experiences and strengthens both participants, and it also provides a common vision for the various categories of actors. This is the case of local authorities, associations of citizens and producers, intermediary associations, decentralising and proximity associations (educational institutions, health services, etc.), or of economic operators.

Decentralised cooperation is also about a reciprocal exchange of experiences and know-how, and it involves all spheres of decentralisation, particularly the management of local public services, territorial planning and the training of local politicians and experts. Local authorities and their politicians are the most appropriate messengers to transmit the message of local autonomy and global and sustainable development of a territory. They also have the irreplaceable experience of management and provision of services connected to everyday life, like the basic services most necessary to their populations.

However, decentralised cooperation is not easy to evaluate, although its outcomes are encouraging. All actors and participants acknowledge the need to make an evaluation, as well as the importance of framing this evaluation within the cooperation process itself. It entails the evaluation of projects, of partnership agreements, of support programmes and cooperation policies. And it is a difficult task, as this modality of cooperation is recent and some of the procedures are experimental. Nevertheless,

some projects have already been evaluated, though the assessment of partnership agreements and of cooperation policy has only been possible in cases which were made explicit, such as Canada, the Netherlands and Great Britain. Discussion of the evaluation criteria is centred on defining the criteria to assess a modality which is meant to be new. Of course, it is not about rejecting the criteria applicable to the other modes of cooperation, but rather to applying a multi-criteria approach and to discussing these criteria from the basis of clearly defined objectives.

Cooperation between two territories brings not only local institutions into play, but often also various actors of the “here” and “there” of local life, which leads the population to be more directly involved in equipment and services projects and to be able to take part in them; an essential element, especially with regard to insolvent local economies. Decentralised cooperation has introduced new forms of relationships between the actors: between national institutions and local actors and between local actors themselves. However, such relationships are not free from conflicts; for example, between local authorities and NGOs, as the legitimacy of local authorities stems from representative democracy while NGOs protect the autonomy of civil society. And, in addition, local authorities are diverse, and it would be necessary to settle the relationships between Northern and Southern NGOs, between NGOs and citizens’ associations. There are also other actors involved, like economic – public and private – agents, professionals, university graduates, etc.

Decentralised cooperation projects do not only involve analogous actors and, in fact, the projects between actors of different natures are increasingly frequent as they represent – for all of them – the opportunity to make progress in their own sphere.

Let’s go back to the local authority-NGO pairing, which has undergone a significant change in the past four or five years. Local authorities have understood what they could contribute to the NGOs (global message, partnership definition, direct relationship with population groups, execution of micro-projects), and the NGOs, in turn, understood that work with local authorities is crucial (long-term presence, articulation of representativeness and participation). Relationships between Northern local authorities and Northern NGOs have gained a new boost in this context, and the mobilisation of resources is enhanced when it is jointly exercised.

We shall refer to the conclusions of an ongoing research project (Noisette et al. 2005b) in order to explain the evolution of the system of actors and the modalities of action. Decentralised cooperation has contributed to the emergence of a political space – in the sense of a political collaboration rather than in a party sense. The origin of cooperation was often personalised (political leader, technical expert, associative leader, etc.), but currently, decentralised cooperation becomes a cooperation between authorities – and, therefore, between local executive powers and between experts dependent on them – by way of partnerships and in the long term. So, it comes from an institutionalised political decision, as shown, for example, by the ability of partnerships to overcome majority changes, even if this requires them to go through deceleration or reorientation phases. This evolution has a bearing on action issues: it goes from a specific project to institutional support of great political dimension. Decentralised cooperation is more and more focused on development issues considered in the international sphere, and it aims to professionalise participation and distinguish



between what belongs to public authority and what belongs to the associative world. Such politicisation may assume radically different shapes and correspond to different orientations, as is also evidenced, for example, by the cities of Chinon, Angers, Paris or Saint-Denis, whose cooperation policies only have in common the fact that they are part of a strong political strategy driven by the mayor; although generally the existence of political support does not always imply that there is a true strategy.

Decentralised cooperation involves deeper and longer-lasting relationships between partner local public powers than the mere motives of assistance. Although many technical cooperation actions are based on the donation of materials, “rubbish dump” cooperation is not too far away from humanitarian cooperation, as much as it intends to distance itself from the associative humanitarian sphere. In order to respond to the feeling that globalisation restricts local political decision, decentralised cooperation helps to build a new political space, even on the scale of this globalisation, in which joint actions may reinforce the powers of local executives. Decentralised cooperation creates forums of initiative and mobilisation of civil society, of dialogue between institutional and associative actions, and politicians believe they can contribute to renewing their relationships with the citizens and to enhancing local democracy through widely-shared actions and challenges.

This politicisation has multiple consequences. One of them is the clarification of the roles between territorial authorities – who make the decisions – and associative and professional operators. This clarification may assume quite different shapes, from the direct operative follow-

up by the local authority (Ile-de-France) to the complete “externalisation” of the action entrusted to an operator, including the disposal of associative and professional operators as service providers, and several intermediate forms. Within the authority, teams are set up combining territorial and professional development officers. The intention of depersonalising actions, of framing them within a logic of public service, is added to the legitimacy and the search for efficiency. At the same time, international and cooperation actions tend to regroup and to position themselves, with respect to each other, in a same administrative direction or unit. Decentralised cooperation is part of a broader strategic framework of presence and international action. The will to establish a political system for decision-making comes not only from the executive but also from the local assembly. Decentralised cooperation increasingly appears as such in the deliberative instances (like budgets or balances), and is sometimes the object of specific debates, and the acting politicians become influential politicians.

The establishment and reinforcement of local capacities are objectives in themselves. Local capacities of design, proficiency, management and execution are key to any local development policy. Their reinforcement may be the object of specific projects or programmes: training and partnership programmes between analogous structures (research centres, technical services, engineering and project offices, etc.). Through such partnerships, training reinforcement may become advantageous for both parties. The objective is often underestimated, but it is necessary to make it explicit and translate it into clear programmes.

The boost of institutional support as a way of participation for territorial au-

thorities is clear in the support to the municipal administration, to the direction of the project (local authority and association of the partner territory) and management of urban services, to social services (schools, health, attention in “urban cooperation” as it is the responsibility of local politicians), and it sometimes extends to the notion of “local development” in its broadest meaning (development funds, professional training, health insurance, etc.) This movement in support of local actors entails an evolution of participation methods and modalities. According to this approach, local development and municipal development feed from each other, as it represents moving from a cooperation exclusively constructed on technically predefined projects to partnership cooperation between actors who define – jointly and at their own pace – the object and modalities of their cooperation. In short, decentralised cooperation goes beyond the limits of local action and gradually wins its own place within local policies.

3.3. The financing of decentralised cooperation

Partnerships and projects are necessary modalities, but they are not enough to lay down, consolidate and develop decentralised cooperation. Support programmes are of essence in order to reduce the obstacles to decentralised cooperation. The first of these obstacles is institutional. At national and international level, the institutional framework is not sufficiently coherent, and curbs the initiatives of the actors (local authorities, operators’ associations) who are – or would like to be – involved in decentralised cooperation actions. The second obstacle is related to financing, as mobilisable resources are insufficient and, in some countries,

financing is almost inexistent. Furthermore, access to mobilisable resources is quite difficult and the methods are inappropriate.

French governmental cooperation tries to invigorate synergies between the levels of cooperation, between state cooperation and decentralised cooperation, observing local initiatives but ensuring the complementary nature of actions undertaken by means of dialogue and information. Through its financing, it intends to consolidate the policies of multilateral, European, bilateral, territorial and non-governmental cooperation.

Yet, the international action of territorial authorities can under no circumstances be regarded as a replacement for governmental cooperation, as it cannot mitigate the reduction of governmental and multilateral public assistances, nor can it be restricted to a mere financing ticket window for the NGOs. So, decentralised cooperation by territorial authorities is complementary to other forms of cooperation. Local authorities keep the whole of their freedom of decision, and pursue – in relation and coordination with the others – specific objectives, while they insist on their financial independence regarding the capitalist partners, and reaffirm the intention that the funds complementary to those invested by the local authority do not hamper their freedom and power to develop a local strategy.

France participates in the group of multilateral mechanisms for development assistance. Given the range of needs and challenges, only a multilateral approach can gather the financial, institutional and operative means required. French cooperation is the fourth capitalist partner of the multilateral institutions for development, and devotes 31% of French cooperation



credits to them. France is engaged in several programmes launched by the United Nations or the World Bank regarding the promotion of local authorities, participatory democracy and good governances in urban institutions. Special mention is made of the United Nations Centre for Human Settlements (UNCHS) and to the “Cities Alliance” programme, launched in December 1999 by the World Bank and UNCHS, sponsored by Nelson Mandela.

The French Regions are fully involved in international cooperation with their own resources and with the variable support of the ministry. It must be remembered that the co-financing granted by the Ministry of Foreign Affairs amounted to 11.77 million euros in 2002. The sums assigned do not reflect the international activity of the regions and other French local authorities. The thematic analysis of the credits granted to territorial authorities shows an increasing engagement in the institutional support of partners in the South in the training of territorial executives and politicians and organisational support. Local development (rural and urban) represents 21% of co-financed programmes. The amounts allocated reflect the priorities of the cooperation policy. Thus, African decentralised cooperation represents 20% of the cooperation relationships of the French local authorities (60% of European) but it gets over 50% of the aid from the Ministry of Foreign Affairs for decentralised cooperation.

Distribution by spheres of the amounts assigned for the co-financing of decentralised cooperation is as follows:

Chart 3: Distribution of allocated amounts – co-financing of decentralised cooperation

Education and training	15%
Economic development	8%
Institutional support	26%
Urban local development	12%
Social development and health	3%
Research and university	2%
Local and rural development	9%
Multisectorial and others	17%
Culture and francophony	8%
Total	100%

Source: CNCD

In 2002, the global amount of co-financing rose to 55.3 million euros. These credits made a progression of 40% between 1997 and 2002, and they were used to support the action of French local authorities (15%), the presence of French young people abroad through volunteering, and the action of the associations of international solidarity (51%). Aside from volunteering, 69% of the funds assigned were aimed at the priority solidarity zone, 16% to the rest of the countries in the world, and 15% to the structuring of actors and education for development carried out in France.

The financial cooperation instruments are in permanent evolution. They include in particular the Priority Solidarity Fund (PSF) and the Debt Development Contract (C2D) and the participations of the French Development Agency (FDA).

The Directorate-General for International Cooperation and Development (DGCID) of the Ministry of Foreign Affairs participates through the Mission for Non-Governmental Cooperation (MCNG)⁵

and External Action of Local Authorities (AECL), and the support is given in the elaboration and financing of programmes and projects through the Priority Solidarity Fund. Last year, support to decentralisation represented 33 projects of an average length of 36 months, financed by the Priority Solidarity Fund to an amount of 47.6 million euros; 56 technical assistants were assigned to those projects; and 300 projects of decentralised cooperation were co-financed by DGCID to an amount of 8 million euros.

As a true development bank, the FDA aims at increasing the impact of the financing of French PDA (Public Development Aid) in order to invigorate the sustainable development of the aided countries, and will play an important role in the French cooperation mechanism. Its priorities are centred in four spheres: water, finance, the planning of space and access to social services. In the urban development section, FDA activities are organised around binding subjects: the management of cities; the decentralisation and financing of local authorities; the fight against poverty and poor neighbourhoods; productivity and the attraction of the city; and home financing. These issues are translated into specific operations in these neighbourhoods, in sectorial or multisectorial thematic projects on the scale of one or several cities or metropolitan areas and scale programmes of a country based on operators or national financial instruments. The FDA works in partnership with other bilateral and multilateral capitalist partners in the framework of decentralised cooperation actions, but it has still not developed its full potential in the decentralised cooperation scenario.

The ‘Debt Development Contracts C2D’, which are the French version of the initiative for debt reduction for poor countries, are part of the continuance of the bi-

lateral and multilateral cancellations of the HIPC (highly indebted poor countries) initiative. They integrate the strategic frameworks of the fight against poverty and the strategic documents by country of French aid. Four countries that have reached the end have contracted a C2D (Uganda, Mozambique, Tanzania and Bolivia). Reductions of significant debts (from 100 to 150 million euros per year for Cameroon and Ivory Coast) should have a maximum impact on local development. Local projects and policies need to stem from participatory logic. In addition, French cooperation finances an important programme to disseminate the principles of the fight against poverty among local actors and politicians.

3.4. Questions under debate⁵

Together with non-governmental cooperation, decentralised cooperation introduces a complete innovation to the way of considering cooperation, social transformation and the international system. It is a radical change, which has barely started. Here we will discuss some of the issues currently under debate: competences and know-how; local authority strategies; decentralisation, democratisation, development, the territorial approach, humanitarian action, Millennium Development Goals, the European dimension; and the role of territorial authorities as international actors (Noisette et al. 1995a, Allou and di Loreto 2002, Lévy 2002, United Cities of France 2000, CFSI 1999, Massiah 1997).

It is often believed that the matter of mobilised competences and know-how is

⁵ <http://www.diplomatique.fr/mcng>

⁶PDM. *Involvement of African local authorities in the Strategic Frameworks of the Fight Against Poverty on a local scale. Research by ACT-Consultants, financed by MAE.*



in reference to technical matters and the specific achievements of French decentralised cooperation. This subject takes on a different meaning if we concentrate on the rise of problematic policies and the political meaning of decentralised cooperation. Cooperation “from territory to territory”, politicised and based on the mobilisation of various actors, as well as its de facto comparison with the professionalisation of NGOs, presents the issue of human competences in a different light.

The professionalisation of actors or, more generally, having the participation of actors with a strong and specific competence of prior organisation and encouragement of cooperation is one of the main challenges to decentralised cooperation. Likewise, little by little we witness the officialisation of new knowledge, new strategies, new spheres of skills. Technical contribution is positioned in a dynamic in which the idea is to “learn together”, but “Francocentrism” continues to be one of the main obstacles to cooperation. A response to the challenge for French cooperation of getting rid of the “Francocentrism” is the challenge for Southern actors to construct a claim, a demand, and both are constructed together. Political and institutional approaches are more sensitive to generating a “reciprocal cooperation” in the face of a permanent risk – which has often happened – of condescending technical assistance. Technical aid may easily turn into a trap preventing the authority from mobilising other resources: for example, the relationship with the associations or with “civil society” is essential to help to define a plan for development. Therefore, the challenge consists not only of the identification of “spheres of excellence” of an authority, and at national level of the group of local authorities, but rather in

the relationship between the political and the strategic level of the partnering, and its technical and financial expression in the framework of the action programmes. This way, cooperation refers us to the foundation of what a local authority is.

Several subjects lead us to the definition of local authority strategies in terms of decentralised cooperation. First of all, there is an interpretation of the nature of decentralised cooperation, particularly in the French context: cooperation of decentralised authorities or administrative decentralisation of national cooperation. However, the issue of the length and perpetuity poses certain questions. There are some reorganisations according to the length of the cooperations that distinguish, for example, perpetual cooperation or of unlimited length, cooperation for pluriannual programmes and cooperation for projects. The search for the long term also implies knowing when to withdraw, when the partnership runs out or when there is no longer a reason for it to exist. There are cooperation strategies for regions and large cities, which translate into the organisation of “cooperation portfolios”. Such strategies are based on representations, especially creating relationships between selected regions and participation issues. For example, an association is established between emerging country and economic development, immigration and Western Africa, or supportive economy and Latin America. Challenges are analysed as different from one region to the other, especially reciprocity challenges. We may sometimes wonder if it is the thematic strategies that determine the territories or the other way round; there seems to be a tendency to identify the corresponding territories with a range of defined thematic objectives. Cooperation with megalopolises tends to

privilege technical or economic aid considered separately and without reference to an “institutional support” deemed less pertinent. Economic cooperation in emerging countries is a kind of long-term investment of the authority. The orientation of the French local authorities towards new regions on account of the economic strategy sometimes confers on decentralised cooperation a role of explorer, and even of commercial agent.

Decentralised cooperation is part of a double background movement – that of democratisation and that of decentralisation – which involves both the North and the South and is the counterweight to the globalisation tendency. Decentralisation is an historical process which affects all regions in the world. Decentralisation policies prevail with their multiple – and sometimes contradictory – objectives, and cooperation policies sustain them, favouring decentralisation. Capitalist partners (the International Monetary Fund and the World Bank in first place) and bilateral cooperations have defended a particular conception of decentralisation. They have exercised pressure in the name of a virtuous circle that combines decentralisation, market economy development and privatisations, democracy and economic efficiency related to the world market. So, decentralisation appears as an element weakening the State and opening the world market. At present, debate is broadened to different spheres, and it is no longer about whether decentralisation should be promoted or rejected: its own nature is discussed. As expressed in the Forum of Local Authorities of Porto Alegre, the dilemma is between neoliberal decentralisation and citizen decentralisation.

Democratisation, in turn, is not confused with decentralisation and combines

two dimensions: the representativeness of the executive instances and the participation of citizens in decision-making. From this point of view, situations really differ according to the countries and local authorities. There is a great difference between local authorities led by elected politicians and those led by officers designated by the State. The institutional framework which organises the participation of citizens in decision-making also differ radically according to the countries, especially in terms of the guarantees and means granted to the freedom of association and of expression. The increasing role of associations and NGOs results in a higher mobilisation of civil society, and the new forms of articulation between local authorities and associations open perspectives for the broadening and deepening of proximity democracy.

Decentralised cooperation renews development conceptions and practices. It is based on participation that gives grounds to the mobilisation of inhabitants, producers and citizens, reintroduces the social dimension in economic concerns, and consolidates programmes which directly affect employment, the fight against poverty, social protection, the reduction of exclusions. The greatest challenge for decentralised cooperation is keeping it to scale. Starting from the experimentation and the pilot project, the intention is to move to a cooperation that works on the real scale of the needs and aspirations of the populations. But, how can we reconcile the citizens’ aspirations and motivation with regard to macroeconomic balances? Although decentralised cooperation does not bring about a miraculous solution, at least it tries to position itself in that perspective. Local development represents the starting point for regional development. Decentralisation



finds all its meaning when populations are able to verify the effects of the development actions, can take part in them and control their consequences. Among the benefits of decentralised cooperation we can mention the experience of local autonomy and of local sustainable development, and the mobilisation of partnerships and, particularly, of immigrants' associations. Decentralised cooperation may not be restricted only to the issue of cooperation for development in the sense of aid to development. It again raises the notion of "development", and allows its approaches to be renewed, while it brings to light other concerns, especially issues of peace and conflicts, mutual understanding, and the forms of regulation of globalisation and the evolution of the international system.

The territorial approach and cooperation "territory to territory" defined in the framework of a partnership –that is, of a cooperation between actors of two territories – directly brings into play reflection and political decision "from mayor to mayor". Another characteristic of this territorial approach is that it deems the local as a specific scale of development, which is often described as "mezzo" – between micro and macro-, between micro-projects and development regional factors. These problems situate governance at the core of territorial development problems. The first element of territorial development is the establishment and reinforcement of public institutions on the relevant territorial scale which favours intermunicipal cooperation. It should be underlined that the idea of cooperation "from territory to territory" is not identified with that of a cooperation "from society to society", although it may be included in it. It assumes a sense related to the institutional and public nature of the actors, which are the territorial author-

ities, and so it evidences the difference established in France between "decentralised cooperation" and "non-governmental corporation". All French territorial authorities insist on the specificity of their responsibilities as regards NGOs, and there is a daily effort to emphasise this difference. Nevertheless, it is worth mentioning that decentralised cooperation is the only form of cooperation that brings actors "from both sides" into play and that may be addressed both to the Northern and to the Southern territory. It is significant that associations resort to decentralised cooperation when they seek to work in reciprocity.

The humanitarian dimension is still almost permanently present, though it has a complex status. Most authorities have a humanitarian or emergency line of action. Whether it is within their strategy or otherwise, they feel obliged to do so as they believe that, in this way, they respond to the indications of generosity from their citizens, and that they establish an empathy relationship with them. Furthermore, it would often be hard for them to reject the strong and clear demands for mobilisation, though they may believe they are badly oriented or are unproductive. This form of cooperation intends to rapidly contribute to an improvement in living conditions, without having to go into the complexity of the local system. It corresponds to a culture of the "project", rather than to a strategic vision of development. Something visible needs to be done (both in France and at local level) which would "specifically" enhance the living conditions of the "beneficiaries". However, it increasingly represents a particular and complex sphere which calls for a very professional approach. Specific and emergency action has to be replaced by a contractual and reciprocal approach between partner author-

ities, agreed in the long term. But this evolution of cooperation towards municipal support does not prevent the maintenance of the humanitarian dimension.


In the world campaign for the achievement of the Millennium Development Goals (MDG), territorial authorities implement development actions and strategies aiming at improving the standard of living of populations. According to Kofi Annan, for at least 70% of the MDGs, the role to be played by local authorities is crucial.⁷ Their actions are then perceived as a true contribution to the fight against poverty and inequalities. This action aims at promoting the economic, social and cultural rights of local populations, and particularly allows an improvement in proximity public services. Territorial authorities are already involved in the politics of water and sanitation, in access to health, to education and to professional training. They can set up Local Strategic Frameworks to fight against poverty, they often work for the protection to the environment and the framework of life, and increasingly reflect on local and participatory democracy. In this regard, the Charter of Sustainable Development and Decentralised Cooperation jointly drafted by United Cities of France, AFCCRE and Comité 21 in 2003, underlines the bond between decentralised cooperation and the MDGs.

The development of decentralised cooperation in the European Union has enabled the construction and dissemination of cooperation practices, and the creation of networks for exchange and capitalisation. At present, the European dimension is strategic for the French territorial authorities, both in terms of political positioning and for its financial attraction. This is mostly the case of the large cities, as smaller ones are not so well equipped to manage such bu-

reaucratic procedures as the European programmes. At the European regional level, France – despite its contribution of 25% to the European Development Fund, has little visibility in its cooperation actions. The French territorial authorities are almost excluded from the implantation of both the Cotonou Agreements and from the MEDA Programme. Decentralised cooperation, in the French sense, is disregarded and badly defended in the European institutions; territorial authorities are not recorded among the NSAs (Non-State Actors) nor do they participate – in any other capacity – in the political dialogue, particularly with regard to the Cotonou Agreements. The French “metropolises” need Europe to compensate for their low relative weight on the international scale, and found in the European framework a response to their concern for international “competitiveness”, when national concerns remained oriented towards a logic of territorial planning. There are some 260 regions institutionally recognised in the European Union, and some 2,000 authorities which would be interested in cooperation on a large scale. So, the potential for mobilisation in terms of competence and financing is significant. In Europe, the history of the authorities and their conformation is specific according to the country, which gives rise to different experiences of decentralisation and democratisation, that may enrich decentralised cooperation and avoid the schematisation of models. In exchange, the creation of a European forum for decentralised cooperation will represent an opportunity for European authorities to get to know each other better.

⁷Interview of 5 October 2004 with Bertrand Delanoë, mayor of Paris, and Smangaliso Mkhatsiwa, mayor of Pretoria, as co-presidents of United Cities and Local Governments, New York..





Territorial authorities become actors in the international system. In fact, they project themselves into the international spaces and resort to decentralised cooperation to achieve a better position in this new scenario. Challenges of economic development or those of immigration as well as integration also contribute to a change in the scales of reference of local policies, to a new relationship between “local and global”. Projected into the global international space, politicians understand that it is no longer possible to work exclusively on a local scale in order to exercise their responsibilities. This evolution of political leaders is added to the one that simultaneously encourages citizens, increasingly mobilised by already internationalised debates. Territorial authorities must participate more and more in debates on the challenges of international regulation, even within the construction of this regulation. They appear as such by the State and “civil society”, and as interlocutors in international organisations. The process started in the framework of the Habitat II conferences on human settlements today has a new dimension, with the UN call to participate in the accomplishment of the Millennium Development Goals. For the first time, local authorities were heard at the UN General Assembly. Territorial authorities have passed the phase of bilateral relationships from authority to authority, to interact with continental and worldwide organisations, which leads to a real multilateralisation of their relationships. At a worldwide level, the establishment of United Cities and Local Governments in May 2004 represents the emergence in the international scenario of a new interlocutor, both for UN agencies and for the Bretton Woods institutions. So, territorial authorities state their desire to participate fully in the dia-

logue with institutions of world governance. Indeed, the construction of networks is the counterweight to the cities’ access to the international space. French cities have a strong presence in these networks, and have historically played a significant role in their emergence; so much so that the mayor of Paris is currently the president of UCLG.

Decentralised cooperation is framed in the development of such networks, of which it is a vector and in which it is also instrumentalised. Southern cities increasingly adhere to this dynamic for the same reasons; they try to multiply decentralised cooperation agreements so as to join these worldwide networks, which results in a double competition: between territorial authorities of the South and between territorial authorities of the North. Thus, decentralised cooperation turns into a kind of partnership market (even with its “transfers” when a city decides to change partner, for example) which entails risks of deviation, but also of marginalisation of local authorities of the South which are not able to enter in contact with those of the North. In this way, some territories are able to monopolise actions and projects of decentralised cooperation.

3.5. Tendencies and perspectives of decentralised cooperation

Through the high diversity of cooperation agreements we can outline a reading grid of the themes included in partnerships between territorial authorities, and regard them as objectives of decentralised cooperation. They represent the image of a focus based on social transformation, of a strategy of social, political and cultural development furthered by the local and territorial authorities. This approach

is not intended to be antagonistic or exclusive, but rather complementary to the national one, as it acknowledges the importance of State actions, defends the autonomy of the territorial authorities, their specificity in the territory-population relationship, and their contribution to democratic consolidation. It is also immersed in a plurality of approaches: of social transformation, of the local and territorial approach, the national approach, that of the large regions and mostly the European, as well as the worldwide and multilateral approach.

The subjects of decentralised cooperation agreements may be grouped into five main categories, and are defined as follows:

- Reinforcement of local authorities, of their ability to work efficiently and democratically, of their capacity to mobilise human resources by training technical and political experts, and of their power to mobilise the financial resources necessary for functioning, maintenance and investment.

- Improvement of the living conditions of the citizens through access to basic services and the fulfilment of the basic needs (water, sanitation, transportation, culture, food security, housing etc.); the access to all rights and, particularly, to economic, social and cultural rights which enable a response to the objectives of the fight against poverty, inequalities and discrimination – especially those concerning gender.

- Local development by means of local production, the generation of employment and income, the mobilisation of local dynamics and actors, the establishment of sustainable development at local level, the respect for ecosystems and for the rights of future generations, human development and rural development.

- Observance of the rules of law, social participation and democratisation which give rise to the resolution of conflicts and prepare the articulation between representative and participatory democracy; the perspective of

territorial authorities in the decentralisation policies carried out by the State.

- Cultural development, access to cultural and linguistic rights, to education and training, to cultural expression and creation – including scientific culture – which are the basis for mutual comprehension and for the capacity to adapt to worldwide evolution, and for the participation of all peoples in their future.

In France, decentralised cooperation has an increasing local impact, which entails the opening of individuals to the world and a sensitising of the territory to world affairs; the reinforcement of local integration of immigrants and the fight against exclusion; the evolution of the modes of governance in a logic of sustainable development; the promotion of local life through the rapprochement of people and neighbourhoods; the evolution of the working methods in the local authority, increasingly based on exchanges; greater economic development; improvement of cultural life; and a better image and greater renown.

In the future, decentralised cooperation need to overcome the idea of aid in order to concentrate on projects of mutual interest. Actors engaged in decentralised cooperation achieve mutual benefits; let us analyse the example of local authorities. The Northern local authorities that mobilised have broadened their perspectives and have gained awareness of the international and worldwide dimension of their environment. From this point of view, the participation of policy-makers, experts and promoters of the municipalities in decentralised cooperation projects represents a highly significant investment in training. Those who did had the opportunity to confirm the interest that the cultural and technical opening represented for municipal services and actions. Cooperation between local authorities also may sometimes result in cooperation between economic actors and in opportunities for economic exchange. Decentralised cooperation also responds to an



explicit demand from one part of the population of the municipalities, especially that of the communities wishing to preserve their cultures and their roots, as well as that of the individuals, associations and NGOs mobilised for international solidarity.

Peace is the founding and historic challenge of decentralised cooperation. Franco-German cooperation remains remarkably present despite the weakness of its historical core. It involves the idea of “getting to know each other better to obtain better joint performance” and develop lasting partnerships between territories and between the various actors of each territory. Cultural exchange and cultural cooperation represent an egalitarian and reciprocal space for exchange between North and South. This argument would be enough to justify the “rehabilitation” of this dimension of cooperation and to give it a new boost. The renewal of the cultural approach is also connected to the integration of immigrants and to the involvement of immigration in a dynamic of development of the territory of origin. Several cities have turned it into a priority strategy and work for its achievement with immigrants’ associations. Depending on the case, the main objective is integration or the intensification of the bond with the country of origin.

Several political leaders find decentralised cooperation to be a lever for reconciling representative and participatory democracy. In this case, it refers on the one hand to the renewal of the associative fabric of the authorities in the context of the evolution of the ways of life and the weakening of the social fabric and, on the other hand, to the issue of the relationships between political leaders and citizens in the definition and application of local policies. In view of its relatively consensual goals, decentralised cooperation appears as a privileged space for experimenting with new answers to these issues, which can be one of its specificities (at least potentially): to seek – in the name of lo-

cal interest – reciprocity in international cooperation actions assumes its full meaning with regard to participation and local democracy. Indeed, problems and actions created may be directly shared by partner territories, each being as legitimate as the other. Such exchange is highly motivating for those who experience it. Local authorities highlight the enhancement provided by decentralised cooperation to territorial operatives and, sometimes, to the functioning of services. Reciprocity and citizenship go side by side.

In this historical process, the rise of two new actors changes the picture. Aside from the political power and the administrations representing the State, and of the economic power of the companies, local authorities and associations consolidate as leading actors in social transformation. They bring two new concepts: local development – with its new components, particularly urban – and participatory and proximity democracy. Decentralised cooperation is the space for strategic alliance between two emerging actors of social transformation: territorial authorities and the associative solidarity movement.

3.5. Decentralised cooperation with Latin America

United Cities of France (CUF)⁸ made a census of partnerships between French and Latin American territorial authorities.⁹ In 2003, 55 French local authorities (31 of which are members of United Cities of France) continued their cooperation with 50 local authorities from 14 countries of Latin America. Among the authorities involved, there are 4 regions, 9 departments, 5 county council districts and 32 cities..

⁸<http://www.cites-unies-france.org>

⁹*United Cities of France. Census of partnerships between French and Latin American authorities. March 2004.*

Figure 4: French territorial authorities engaged in decentralised cooperation with territorial authorities in Latin America (in 2004)

Country	French Corporations engaged in Latin America	Pais	Corporaciones francesas implicadas en América Latina
Argentina	<ul style="list-style-type: none"> Regional Council of Rhône-Alps (Cordoba), Regional Council of Aquitaine* (Cordoba) Departmental Council of Savoy and Haute-Savoie (San José, Villa Elisa), Regional Council of Midi-Pyrénées (Province of Buenos Aires) 	Cuba	<ul style="list-style-type: none"> Urban Community of Dunkerque (Regla), Drancy (Cienfuegos), Créteil (Beach), Ivry-sur-Seine (La Lisa), Saint-Nazaire (Cienfuegos), Créteil (Beach), Brou sur Chantereine (Regla), Chalette-sur-Loing (San Antonio de los Baños), Schoelcher (Marianao) Limeil-Brevannes (Marianao) Sainte Anne (Pinar del Rio). Le Lamentin (Santiago de Cuba)
Bolivia	<ul style="list-style-type: none"> Nantes (Cochabamba) Mulhouse (Oruro). 	Ecuador	<ul style="list-style-type: none"> Saint-Amand Montrond (Riobamba).
Brazil	<ul style="list-style-type: none"> Regional Council of Aquitaine (State of Alagoas), Regional Council of Provenza-Alps-Costa Azul (City of Sao Paulo, State of Sao Paulo) District Council of Isère (State of Parana), Bobigny (Belém, Porto Alegre), Urban Community of Lille Métropole (Rio de Janeiro), Montreuil (Diadema), Nantes and Urban Community of Nantes (Recife), Paris (Sao Paulo), Rueil Malmaison (Petropolis), Saint-Denis (Porto Alegre, Sao Paulo), Nanterre (Alborada), Regional Council of Bretagne* (State of Parana), Regional Council of Guyane (State of Amapa), Regional Council of Ile-de-France (City of Sao Paulo), Regional Council of Rhône Alps (State of Parana), General Council of Charente Maritime (State of Bahia) Metropolitan Area of Montpellier (Campinas), Municipality of Brou Sur Chantereine (Porto Alegre), Municipality of Cayenne (Macapá), Municipality of Issy les Moulineaux (Juis de Fora, Ipatinga), Municipality of Lion (Sao Paulo), Municipality of Marsella (Rio de Janeiro), Municipality of Nanterre (Alborada, Porto Alegre), Municipality of Nice (Rio de Janeiro), Municipality of Saint Malo (São Luis do Maranhão), Municipality of Toulouse (São José dos Campos). Municipality of Lamentin (Barra Mansa, Rio Claro, Santo André) 	Haiti	<ul style="list-style-type: none"> Departmental Council of Savoy and of Haute Savoie (Dessalines), Departmental Council of Savoy and of Haute Savoie (Dessalines), General Council of Hauts-de-Seine * (Jacmel), Urban Community of Strasbourg (Jacmel), Strasbourg (Jacmel), Suresnes, (Cap-Haïtien) Cavaillon (Kavayon).
Chile	<ul style="list-style-type: none"> Regional Council of Ile-de-France (Metropolitan Region of Santiago), General Council of Hérault (Region of Valparaíso, Region of Coquimbo), Urban Community of Lion (Santiago), Paris (Santiago), General Council of Puy de Dome (Municipality of Coyhaique), Municipality of Vaires Sur Marne (Municipality of Quintero), General Council of Finistère (Province of Chiloé) Municipality of Ferrières-en-Brie (Municipality of Puren) 	Mexico	<ul style="list-style-type: none"> Mancomunidad de Burdeos (Monterrey), Confluence: Ballan-Miré, Druye, Berthenay y Savonnières (Municipalidad de Jalapa)
Colombia	<ul style="list-style-type: none"> Saint-Nazaire (Palmira, Floridablanca and Manizales). 	Nicaragua	<ul style="list-style-type: none"> Fougères (Somoto), Evry (Estell), Bouguenais (El Tuma la Dalia), Vaux-en-Velin (Sebaco), La Courneuve (Ocotal), Champigny sur Marne (Jalapa).
		Peru	<ul style="list-style-type: none"> General Council of Hautes-Pyrénées (Departaments of Cuzco and Apurimac) Municipality of Eybens (Independencia), Gières (Independencia), Poisat (Independencia), Rezé (El Salvador), Sucy en Brie (Trujillo), Bordeaux (Lima), Municipality of Montpellier (Arequipa), Paris (Arequipa).
		El Salvador	<ul style="list-style-type: none"> Municipality of Val de Marne (Departaments of Usulután and Ahuachapán)
		Uruguay	<ul style="list-style-type: none"> Marsella (Montevideo).
		Venezuela	<ul style="list-style-type: none"> Mancomunidad de Burdeos (Bañías, El Tigre, Maracaibo).

Source: United Cities of France

The analysis of the chart provides the relevant indications (Medina 2005). French decentralised cooperation has a strong presence, particularly in Brazil, Cuba, Haiti, Nicaragua, Chile and Peru. In these countries, partnerships are long term and it is possible to

establish a dynamic of concerted work. Partnership may be constituted with associations of municipalities or of political leaders. There is a low and restricted level of commitment in countries such as Argentina and Mexico. However, in 2004, a new decentralised coop-



eration was established with Mexico between La Confluence (Ballan-Miré, Druye, Berthenay, Savonnières) and the city of Ja-lapa. The Regional Council of Ile de France is evaluating cooperation with the Federal District of Mexico.

The diagnosis of Franco-Nicaraguan decentralised cooperation shows that there are sufficient favourable elements to put into practice concerted actions between the cities. The French cooperation is centred in the northern region of Nicaragua, the fields of action are relatively similar (housing, waste management, education) and such conditions favour the exchange of experiences. Coordination may be broadened to the Nicaraguan Caribbean area. It should be underlined that local authorities are greatly interested in developing decentralised cooperation with Haiti (Nantes, Limoges, the metropolitan region of La Rochelle). It is possible to seek continuity for this coordination work by taking advantage of the EU invitation to submit projects for decentralised cooperation (Cuba and Haiti).

With Brazil, each territorial authority involved has its own logic of participation. French decentralised cooperation has more presence in the states of the south or south-east of the country: São Paulo, Rio de Janeiro, Rio Grande do Sul and Paraná. Decentralised cooperation resembles more economic, technical and/or political cooperation than development cooperation, which characterises the actions in the north or north-east of the country. Exchanges have taken place between the French cities and the cities of São Paulo and Porto Alegre in the framework of the URB-AL Programme, particularly Network 9 – “Local finance and participatory budget” and Network 10 – “The fight against urban poverty”. The year of Brazil in France showed the interest of the French authorities in Brazil: more than 100 projects were recorded in which territorial authorities were involved,

but such interest has not yet materialised in a long-term decentralised cooperation process. So far, French authorities have not made a joint analysis leading to the implementation of joint collaboration projects, which would contribute added value to their cooperation without limiting their specificity or autonomy.

Numerous meetings have the intention of reinforcing and broadening decentralised cooperation between France and Latin America, of encouraging cooperation between authorities participating in the same country, in order to evolve towards new projects related to programmes with shared objectives and to contribute to the emergence of new partnerships. This is the case of the meeting on Franco-Brazilian decentralised cooperation, on Franco-Cuban non-governmental cooperation, of the seminar on intermunicipality and decentralised cooperation held in Rosario, Argentina.

The objective established is the improvement of the living conditions of the populations. The privileged fields of action are: culture, environment, education, the question of water and sanitation, social action, and urban development. Some specific partnerships have also been put into practice following natural disasters, as in the case of hurricane Mitch in Nicaragua or the reconstruction of the city of Arequipa in Peru, devastated by the earthquake of June 2001. Financing of cooperation agreements is guaranteed with the own funds of the authorities supported by the co-financing of the French Ministry of Foreign Affairs (MAE). Latin America and the Caribbean represent less than 4% of MAE commitments to decentralised cooperation; these commitments are clearly decreasing.

The census of the United Cities of France confirms the report produced for the CNCND on decentralised cooperation with Latin America (Dasque 2002), which established a balance since 1990 and identified 202

cooperation agreements in this period, several of which came down to statements which were not followed by specific actions. In contrast, other have been completely exemplary. Decentralised cooperation in Latin America presents a contrasting scenario (MAE 2003). Actions have been carried out for a long time now, despite the existing difficulties. It is worth mentioning the solidarity mobilisation after hurricane Mitch, with bilateral cooperation and NGOs, a clear opening of Cuba to decentralised cooperation, as well as other initiatives furthered in the Southern Cone, in the Andean countries, Mexico and the Caribbean. The delegate for the external action of local authorities underlines that there is in this area a complementarity between the overseas departments, bilateral cooperation and local authorities. The European multilateral programme (URB-AL, as for the project followed for the city Issy les Moulineaux) and the operations performed with the International Development Bank (IDB) should be increased. Spheres like cities, social cohesion and urban public services are strongly demanded, apart from requiring action which is still necessary in the rural communities.

The URB-AL Programme, started in 1995, is an opportunity to reinforce decentralised cooperation between French local authorities and Latin America. It is based on the principle of exchange of experiences in the thematic networks in which cities participate, but also associations, universities, cultural, scientific and technical centres, companies and NGOs who may join as external members. To the eight thematic networks started in 1995, six new subjects were added in 2001, including projects and specific productions. Several French local authorities positioned themselves in the networks (urban environment, management of urban mobilisation, local financing and participatory budget, fight against urban poverty, city and information society,

social safety in the city). Marseille coordinates two joint projects (municipal training in the network Democracy in the City, and strategy for ports in the network Management of Urban Planning); Saint-Denis is in charge of a project of the network for the Fight Against Urban Poverty; the city of Lamentin in Martinique is engaged in a participatory budget for young people. But no French local authority has yet been positioned as coordinator for the networks created in the second stage of the programme.

The context of Latin America is distinguished by the increase in programmes for State reform and decentralisation, and by the reinforcement of territorial authority actions. Municipalities and regions try to focus on the reconstruction of the State from more democratic foundations and from the strengthening of representative democracy. Decentralised cooperation is framed in this context, and the engagement of Latin American populations is very strong. The survey of United Cities of France revealed that – quite frequently – the involvement of French local populations is lower. This fact needs to be related to the limited space that cooperation with Latin America occupies in communication with the French local authorities, with the limited transmission to local populations or their associations, with the difficulties of the actions due to language and to the difference in institutional and legal structures between France and the countries of the region. The Latin American area of United Cities of France is organised around three geographical groups: Latin America (Bolivia, Brazil, Chile, Argentina, Colombia, Venezuela and Haiti); Central America (Nicaragua and El Salvador); and the Cuban commission, which encompasses authorities and associations.

One of the obstacles for decentralised cooperation with Latin America stems from the fact that most countries are outside the



PSZ (Priority Solidarity Zone) and, therefore, few are capable of obtaining co-financing from MAE. In fact, these countries are regarded as economic partners, without taking into account the issues of poverty and inequalities.

Then, there is a contradiction between the “country-based approach” of bilateral cooperation and the consideration of local scales. Difficulty of access to co-financing is a deterrent to small and medium municipalities, which

French territorial corporation: Urban community of Lille (1,2 million inhab.)	Foreign territorial corporation: Foreign territorial corporation: (Brazil)
Fields of action:	<i>Local economic development, urbanism, management of public services, social action, environment, education.</i>
Partners:	In France: FMCU (World Federation of United Cities), Triselec (Mixed corporation in charge of classifying wastes in the metropolitan area of Lille). In Brazil: the Comlurb (municipal company from Rio de Janeiro in charge of urban cleaning).
Effective date:	Project started in 2000 (but partnering between the two cities goes back to 1989).
Summary of projects:	Title “waste integrated management in Rio de Janeiro”, this project intends to enhance in the long term the quality of the frame of life of the people of Rio de Janeiro establishing a coherent and sustainable non-toxic waste management. Cooperatives of ragmen (“samplers”) have been created to rationalise the collection and recycling activities incorporating new materials (presses, classification chains, forklifts), as well as tools and procedures for administrative and financial management. An urban cleaning school may also be created to guarantee the training of the cleaning agents of the city. This project also aims at the creation of the ragman profession and so allow people under difficult social conditions to undertake a process of reinsertion.
Global budget for the programme:	972.000 euros
Financing:	Joint financing with Lille Métropole CU and the city of Rio: 184,000 euros European commission: 788,343 euros (environment budgetary line in the PVD)
Notes:	There is also a partnering with the state of Rio de Janeiro but is currently inactive.
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explains their low commitment to cooperation in Latin America, especially when there are other significant restrictive elements at the level of these municipalities, like languages for communication and the lack of groups of

citizens that are native to these regions. Such limitations are less important in large cities, in some departments and regions, mostly because co-financing is no longer so determinant for the cooperation budgets of these territorial

French territorial corporation: The city of Fougères (approx 23,000 inhab)	Foreign territorial corporation: Somoto (Nicaragua)
Fields of action:	Rural local economic development, environment, young people, culture.
Partners:	Association Somoto-Fougères
Effective date:	1986
Summary of projects:	<p>Project for the restoration of coffee crop and its agro biological production in a rural area devastated by hurricane Mitch.</p> <p>Fair and sustainable enhancement of the modes for economic development. Contacts were made with the network Max Haavelar France to integrate small producers beneficiaries of this project in the network of fair trade</p> <p>In the frame of the Strategic Plan for Municipal Development drafted by the municipality of Somoto sponsored by the Town Council of Fougères, the needs of the population are censused through a social participation process. Such needs are confronted to the means and possibilities of the municipality.</p>
Global budget for the programme:	62.600 euros
Financing:	<p>Own financing: 15,250 euros</p> <p>General Council of Ile-et-Vilaine: 5,000 euros</p> <p>MAE: 12,250 euros</p> <p>City of Somoto: 15,050 euros</p> <p>Local compensation: 15,050 euros</p>
Notes:	Each year, some young people from Fougères join this project through a sensitising on the issues of sustainable development and respect for the environment. Several of them visit Somoto each year.
Contacts :	<p>Ms. Marie-Pierre Rouger, Deputy Mayor for Education, Cooperation and International Exchange. Tel.: 06 83 83 57 13</p> <p>Ms. Sabrina Potier, Head of Mission, International Relations</p> <p>Tel. : 02 99 94 88 00</p> <p>Fax: 02 99 94 88 02</p> <p>e-mail: mairie@mairie-fougeres.fr</p>



French territorial corporation: Regional Council of Ile-de-France (approx 11 million inhab.)	Foreign territorial corporation: Metropolitan area of Santiago (Chile)
Fields of action:	<i>Economic development, professional training, planning and urbanism, environment, education and culture, tourism, institutional exchanges.</i>
Partners:	In France: Regional Agency for Development, Pro Chile, Consular chambers, Tourism Regional Committee, AIRPARIF, several companies (mainly SMEs) . . .
Effective date:	Subscription of agreement between the Regional Council of Ile de France and the metropolitan area of Santiago in 1995. The pluriannual action programme for 2002-2005 was defined in the second joint committee for cooperation in September 2002.
Summary of projects:	<ul style="list-style-type: none"> - Exchanges of experts on public transportation are organised regularly The French region participated in the start up of the Regional plan for urban development of the metropolitan area of Santiago. In terms of cooperation in the area of sanitation, the Region of Ile-de-France supported the creation of the Regional metropolitan centre for the prevention of AIDS in Santiago; it established sensitising actions for young people in schools or in the sphere of staff training. - As regards to professional training and education, the Region of Ile-de-France supports the programme for environment education; 6 scholarships were granted to students of school course 2002-2003 and 2003-2004. - Regarding environment, the Region of Ile-de-France takes part in the modernisation of the network for the measuring of atmospheric contamination of the metropolitan area of Santiago and in the reforestation of the planes at the foot of the Andes. A diagnose was elaborated on air contamination regarding the international airport of Santiago, with the collaboration of AIRPARIF. - As to economic development, the Region Ile-de-France is engaged in several projects: to put into practice training for the management of craft micro enterprises managed by Mapuche women and young people, exchange of enterprises, establishment of a system of municipal tourist information in Curacavi. In connection with cultural action, the Region of Ile-de-France supported the creation of a neighbourhood library in Villa Francia.
Financiación:	Total financing 1998-2004: 1,288,654 EUROS.
Financing:	Partners are willing to develop triangular cooperations with other regions of Latin America.
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authorities. On this scale, territorial authorities are sensitive to the character of the cooperation and to the articulation between the economic interest and the strategic interest, on the one hand, and the relationship between the fight against poverty and urban policies on the other. Local authorities reorganising their portfolio try to include Latin America, mostly by establishing bonds with Brazil but also with Argentina, Central America and the Andes (Noisette et al. 2005b).

Latin American authorities are highly interested in the decentralisation experience, and particularly in intermunicipality, and it seems like the space for decentralisation currently represents – for them – an important lever for the reconstruction of the State and democracy. This conviction is revealed, among other things, through the participation of

French and Latin American local authorities in different European and Latin American networks of participatory democracy (URB-AL, OI DP, etc.). Cooperation with Latin American authorities has led French local powers to draw on their method of participatory budget (Issy-les-Moulineaux has created participatory budgets with the cities of Brazil in the context of partnerships integrated within the URB-AL programme). As the URB-AL programme strongly promotes the notion of reciprocity, cooperation with Latin America have a bearing on the French territorial authorities as their partners are often more advanced in terms of local participation and of the social and supportive economy. Such reciprocity needs to be construed in terms of methodologies, mechanisms, etc., so that it turns into an “incredible tool for learning”.



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