Decentralization and Intergovernmental Relations:  
The Role of Political Parties  
The Case of Colombia and Paraguay 

FIRST DRAFT

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Abstract

The paper seeks to explain and understand how decentralization in Colombia and Paraguay has impacted political parties and how those parties have influenced the enactment of decentralization legislation. An important objective of this research is to better understand the reasons why countries with a unitary form of government, such as Colombia and Paraguay engage in political decentralization and how such processes influence the shape and effectiveness of public service delivery with particular emphasis on the role played by political parties. To what extent do political leaders who profess support for decentralization do actually act upon it? How can we measure their support to the process? How’s party unity affected? What’s the role of clientelism and patronage? These are some of the questions addressed in this paper. After reviewing the impact that decentralization has had on political parties in Paraguay and Colombia, it concludes that both countries have seen a significant fragmentation of its traditional parties in the case of Paraguay, and deinstitutionalization in the case of Colombia with consequent changes to clientelism and patronage systems in both cases.

Keywords:
Decentralization, Democratization, Political Parties, Clientelism, Fragmentation, Deinstitutionalization, Public Policy, Paraguay, Colombia

Conceptual Framework

Political Parties and Decentralization

According to institutional theories, political democracy depends not only on economic & social conditions but also on the design of political institutions (rules/procedures/roles/strategies become important) (March & Olsen, 1989). Decentralization is then the result of the interaction of numerous institutions including legislative bodies, political parties, subnational levels of government, executive office holders and their deputies; and civil society among others. Utilizing an institutional approach, in the case of Colombia’s and Paraguay’s decentralization, it will be of particular interest to look at the role played by presidentialism and its relationship to stable democracies (Mainwaring, 1990; Haggard and McCubbins, 2001); political clientelism and how it affects the implementation (or not) of policies (Roniger, 2004); and how presidentialism and state size affect party behavior in these two countries since
the size of the state is key to understand the amount of resources controlled by the executive (Zucco, 2003).

The interactions between legislative bodies and the executive power maybe important in defining decentralization as executives may be more interested in supporting legislation that furthers administrative decentralization and legislators more in favor of supporting legislation that enhances political decentralization (Escobar-Lemmon, 2003).

Much attention is also given in the literature to the role played by political parties, party systems and electoral systems. Previous research suggest that to understand decentralization, close attention should be paid not only to the nature of political parties and how subnational leaders are able to influence national leaders (Willis, Garman and Haggard, 1999; Montero and Samuels, 2004), but also to the structure of individual parties at particular points in time and the electoral incentives that might encourage the advancing of decentralization reforms (O’Neill, 2005). According to this view – what O’Neill proposes as an “electoral theory of decentralization” - the greater the political sensitivity of central level politicians to subnational political outcomes, the more likely they are to support decentralization.

Parties that are regionally based and are institutionalized will support decentralization as it would allow them to access politically significant government positions (Escobar-Lemmon, 2003). In this view, the internal organization of political parties becomes important, as those with strong state-level party organizations would back decentralization: deputies from areas expected to benefit from decentralization will be more likely to introduce decentralization legislation. Thus, parties that are not nationally dominant would support decentralization. Furthermore, parties with decentralization nomination procedures are more likely to support decentralization (Escobar-Lemmon, 2003). Legislators who must respond to subnational officials within their parties are more likely to support decentralization than legislators who are more responsive to national party leaders (Eaton, 2004; Dickovick, 2011).

Decentralization shifts the focus of the competition from only the national to both the local and regional level. It changes the “cost of entry” into the political arena for all parties involved or must provoke fundamental changes to the internal characteristics of political parties (Faguet, 2011).

Political decentralization by increasing the number of political “positions” increases the number of politicians who are willing to run for office, thus increases the competitive incentives to offer better public services. “The principle of democratic advancement also increases subnational politicians’ effort to win popular support, which strengthens their party competitively in national elections” “thus national party sponsorship of local challengers can raise competition in local elections, and so improve the quality of local policy-making (Faguet, 2011) “ If Faguet’s proposal holds, national parties would have an incentive to present strong candidates at all levels of government to ensure that elections can be won.
The party system is fundamental to understand how decentralization is shaped. In a party system that favors national elites, local leaders can be forced to accept institutional changes that compromise their power (Weingast in Faguet). On the other hand, in political systems where local elites have dominance, the reverse could happen and national elites might be forced to accept subnational “abuse” of common pool resources.

When the “legislative accountability” system makes congressmen accountable to provincial party leaders and not voters, it allows those provincial party leaders to gain control over areas of national policy in ways that allows them to perpetuate themselves in their leadership positions and extend their influence.

Scholars also argue that decentralization in Latin America further weakened already fragile party systems (Sabatini, 2003). Among the expectations of both national and international actors when decentralization was initiated was that it would reinvigorate political parties and make them more responsive to local and regional needs. “In practice, however, national parties have often floundered amid the new circumstances, with locally defined parties emerging where old national organizations have failed” (Sabatini, 2003: 139).

Direct appointment of governors and mayors, as well as control of financial resources, contributed to party discipline and cohesion, and the discredit of national parties plus the availability of hundreds of directly elected positions created the conditions for aspiring politicians and political movements to enter politics without having to depend on the traditional parties for support. “The irony has been that many of the parties that pushed for decentralization are simply not well-equipped organizationally to deal with its political consequences” (Sabatini, 2003: 149).

Citizens’ trust on in government and in political parties would also seem to play an important role in the decentralization process (Escobar-Lemmon, 2003). In her analysis of the Venezuelan and Colombian cases, Escobar-Lemmon posits, “While the data support prior findings that decentralization is supported by parties whose future electoral prospects are better at the subnational level, the analysis also shows that citizen’s trust in government and greater wealth affect a deputies’ support for decentralization” (2003: 683). As the effectiveness of the government to deliver services and goods is questioned, citizens will demand more responsiveness, thus deputies that represent those areas of the countries where there is the least trust in government will back decentralization as a way of increasing trust in government.

In contrast, Falleti argues that more important than the structure of political parties and electoral incentives is to look at the sequence by which decentralization takes place in each particular situation. Falleti posits that the “type of territorial interests (national or subnational) that prevails in the reforming coalitions is the main factor leading to the adoption of different types of policies” (2010: 13). It would then be very relevant for any analysis of political decentralization to look at how coalitions are formed and what kind of impact subnational authorities have on the decentralization process. Falleti’s “sequential theory of decentralization” proposes that the types of reforms, their extent
and their degree are largely dependent upon what type of decentralization is implemented first, and who initiates the process (national versus subnational governments). The sequential order of different types of decentralization (fiscal, administrative, and political) will help explain the resulting change in the intergovernmental balance of power.

**Decentralization and the Deinstitutionalization of Political Parties**

It has been previously said that policy outcomes are the result of the interaction among many different political players, and this interaction is influenced by different political and institutional factors (Scartascini et al, 2010) such as the political party system; the type of legislature present in each country (and the dynamics within it); the presidential system; the legal framework established by the national constitution and the laws (including the electoral law); the autonomy and capacity of the national and subnational bureaucracies; as well as the judiciary and civil society.

In this context, to look at parties is important because they affect the policymaking process significantly, influencing the relationship between Parliament and the Executive branch, as well as the ability to coordinate between parties.

Also, as noted before, the level of institutionalization is a significant characteristic of party systems. The more institutionalized a party system is, the more likely that parties will have long-term programmatic goals with clear position in key policy issues and concrete proposals (Jones in Scartascini et al, 2010). In parties where program is important and stable, voters demand more accountability and people know what to expect from each party. Institutionalized party systems also help ensure greater policy consistency “because of the strong role played by parties in political recruitment and the concerted efforts made by elites to promote and protect the value of the party label. In weakly institutionalized party systems, interparty competition is based primarily on personal appeals or short term populist policy proposals designed to win over voters and then be forgotten once the election takes place” (Jones, 2010: 20-21).

The consequences of decentralization for political parties have been much researched (Dargent & Muñoz, 2011; Hopkin, 2003; Imke, 2010; Lago-Peñas, 2010; Scartascini et al, 2010), and there is general consensus that decentralization reforms present a financial resource dilemma for parties as they need to compete in many more elections (in the case of political decentralization). Competing in many different jurisdictions requires not only resources for the campaigns, but also increases the need for clientelistic resources that are needed to ensure loyalty to the party. Fiscal decentralization also increases the autonomy of local leaders from party leaders, as they not necessarily need their support in order to win elections. It is quite clear also that by opening new spaces for political competition at the subnational level, local authorities gain new protagonism in detriment of traditional party bosses who used to be involved in the appointment of local and regional authorities and thus could gather great clout both locally and nationally.
Dargent and Muñoz (2011) contend that deinstitutionalization of political parties is linked not only to the distribution of power, but also to resources. “Resources are crucial for party aggregation, and that reforms designed to distribute power and resources in the political system can reduce local candidates’ incentives to join and remain loyal to political parties, particularly when those parties’ reputations are weak” (page 47).

Decentralization, in particular fiscal decentralization, has contributed to reduce the power of traditional political parties regional bosses who controlled the distribution of resources and could deliver votes during national elections. These bosses were able to ensure clientelistic programs and strongly opposed decentralization understanding that the reforms would empower mayors and governors in detriment of their influence. For resource-based theories, regional party bosses become the “gatekeepers” of those resources and through patronage are able to provide incentives to local politicians to be loyal – and remain loyal – to the political party (Dargent & Muñoz, 2011). It is argued that - especially - fiscal decentralization breaks this link of dependence between national and local political leaders, allowing local political cadres to advance their own electoral goals, thus party cohesion and discipline is harder to maintain and enforce, with the consequence of the party system gradually deinstitutionalizing (Dargent & Muñoz, 2011; Imke, 2010).

Thus, the spatial and geographical aspects of party competition matter when we talk about decentralization: the “territorial dimension” or “nationalization” of the parties defined as the extent to which political parties obtain similar vote shares throughout the national territory (Imke, 2010).

As decentralization reforms have been implemented around the world, the “denationalization” of electoral politics has become more common, with the arrival of new political movements that represent regional or local interests gaining more power and relevance than traditional political parties. Thus the need to better understand the territorial dimension of electoral politics becomes clear (Hopkin, 2003).

Jones also suggests that “differences in nationalization also are likely to have public policy consequences. Decisions related to national transfers to subnational units, administrative reform, and subsidies may be strongly influenced by the degree of party system nationalization. Where a party’s base of support is relatively constant across geographic units, it may be more likely to treat all units equally. In contrast, where its support varies widely across geographic units, the party may tend to base its decisions in part on the degree of support it receives in specific geographic units” (Jones, 2010: 26).

In analyzing the level of institutionalization and nationalization of the party system, there are some factors to be kept in mind including who controls the candidates nomination process; how the electoral system is set up; the timing of national and subnational elections; the level of autonomy of subnational authorities (governors and mayors) (Jones, 2010; O’Neill, 2005).

What drives the denationalization of political parties? Hopkin points to two reasons beyond regional power struggles that are insufficiently studied: the influence of
clientelism and/or the presence of powerful political figures at the subnational level; and second the way national leaders or political parties adapt to the threat posed by the emergence of powerful subregional political parties and the increased importance of subnational and “supranational” electoral arenas.

If political parties are seen as organizations and not as parts of a “party system” as Panebianco (1988 cited in Hopkins) posits, then it would be important to look at how changes in the environment impact the ability of parties to adapt to changes. Panebianco stresses the limitations to parties’ abilities to adapt and change posed by institutionalization and the rigidities of party organizations. Thus impacts such as decentralization pose a challenge to parties, as they are not able to adapt rapidly to changes. In process of decentralization, with its concurrent “denationalization”, traditional parties are at a disadvantage to adapt to those challenges.

“It is also the case that such reforms are not always welcomed by national-level party organizers, since “severe functional or territorial changes dislocate the party organization and upset channels of patronage” (Ashford 1982, 1-2). (In Hopkins, page 5).

Unintended consequences of institutional reforms are the result of changes in the balance of power inside the party organization. When changes brought by decentralization make elections revolve around local and regional issues and voters cast their ballots in favor of local and regional candidates in detriment of national leaders, the internal dynamics of the parties are changed. The balance of power will shift from the center to the periphery.

Not all share the view of decentralization’s impact on the institutionalization of political parties. Contrary to Imke (2010) and Hopkin (2003), the Lago-Peñas (2010) do not find empirical evidence supporting the relationship between the degree of decentralization and the nationalization of parties. In their view what matters is the internal dynamics and history of each party, and their ability to adapt to changes: “decentralization reforms should be seen as a consequence of parties’ responses to strategic opportunities and threats, and the organizational changes resulting from multi-level electoral politics are mediated by parties’ own internal histories and conflicts” (Lago-Peñas, 2010: 8). The internal dynamics of each political party are as important to keep in mind as the level of influence that political subnational authorities could have on national political authorities of the same party. Conflict both within subnational authorities and within national authorities can limit their capacity to promote or oppose decentralization reforms (Eaton, 2004).

**Clientelism and Patronage**

An important argument against decentralization that is closely linked to the level of institutionalization of political parties has to do with clientelism and patronage. Is frequently argued that by decentralizing, we are transferring or creating new sources of corruption and ineptitude to the local levels. New political actors are introduced by decentralization and new relationships are established (Garcia-Guadilla & Perez, 2002).
But what is the relationship between clientelism/patronage and decentralization? Does the presence of patronage and clientelism hinder or advance decentralization?

Clientelism is defined as an exchange system based on a “complex of rules and practices for the organization, representation, and control of demands and interests of society; these relationships are based on political subordination in exchange for the discretionary granting of available public resources and services” (Heredia, 1997 in Garcia-Guadilla & Perez, 2002: 93).

Clientelism in Latin America can be explained by politician’s needs to rise within their parties as a first step towards building their political careers; and by politician’s inclination to see the goods and services of the state as primarily private benefits that will help them muster the support they need from their colleagues to advance their political careers. Public policies are also seen as goods useful to promote their careers (Benton, 2007).

“In Latin America, politicians have concentrated on promising particularistic benefits rather than public goods because ‘patronage is the primary glue that holds modern clienteles networks together’ (Mainwaring, 1999:180). Those politicians with the greatest ability to distribute largesse had the best chance of building support and surpassing party colleagues during the race to further careers” (Benton, 2007, 57).

Policy goals are thus sacrificed by the dynamics of patronage. Politicians will prefer a candidate that offers better patronage benefits. Intra-party divisions are the logic consequence of the struggle over state resources and goods. “Latin American politicians’ efforts to secure patronage and pork to build careers have led them to build minimum winning coalitions rather than consensus around candidates, leading to divisive factional disputes” (Benton, 2007; 78). This also helps explain the tendency to shift policy positions, the lack of strong ideology, numerous political allegiances, and the lack of substantive policy platform. This would have an impact on the ability of reformers to achieve decentralization as the continuing change of positions by politicians affects the possibility of decentralization reforms to be enacted and implemented.

If political parties are highly institutionalized and programmatic, the parties would compete based on policy, “in clientelist systems, political parties compete based on the distribution of selective incentives to voters, and are judged by voters primarily based on their ability to distribute/deliver these incentives (Saiegh in Scartascini et al, 2010: 40).

Hilgers (2012) posits that clientelism involves an asymmetric relationship but a mutually beneficial one in terms of power and exchange for those who are part of the exchange: “All clientelistic relationships operate a mediated and selective access to resources and markets from which others are normally excluded” (2012: 26). At the core of clientelism is the unequal power relationship by which political parties, leaders, and their constituents establish the exchange of goods and services that often requires political allegiance. Voting for the party for example would ensure the person access to state jobs or benefits.
But, as Hilgers notes, clientelism “erodes” (by inhibiting the development of a vibrant civil society, divides society, and weakens the legitimacy of the state), “accompanies” (by letting clients choose among a number of patrons with access to resources – when this happens - then it makes the state more inclusive and it can help create political stability thus it accompanies the democratic process), “and/or supplements democratic processes” - democratic electoral processes not only allow for different patrons to compete for clients, but also it might provide opportunities for a new type of patron and a new type of clientelistic relationship to arise (2012:17).

Political Parties and Decentralization in Paraguay: The Persistence of Clientelism and Patronage

The Republic of Paraguay, a country of approximately 6 million inhabitants is located at the heart of the South American continent. It has had a long and proud history of asserting itself while surrounded by powerful, and at times not very amicable, neighbors. In the late XIX century, and after independence was declared, the country faced its two largest and most powerful neighbors, Brazil and Argentina which - with the help and support of Uruguay - involved Paraguay in a nearly suicidal war (known as the Triple Alliance War or the Great War, 1864-1870) that decimated the country’s male population¹, destroyed its economy, and brought the country not only great human suffering but also the loss of almost one third of its territory.

Nearly sixty years later – early in the XX century, Paraguay would face yet another war, this time with its neighbor to the West – Bolivia – for the Chaco territory (1932-1935). This war- though not as long as the Triple Alliance War - also had devastating consequences for the country’s economy and psychic. The wars also initiated long periods of institutional instability and political turmoil among the ruling elites and the political parties they represented (the two major parties – the Liberal and the Colorado parties date from the 1890s). Without major migratory movements and far away from cultural trends, and with a keen sense of being besieged by its larger neighbors, Paraguayan political culture expresses strong nationalism and proud independence.

The political instability brought by years of conflict among the ruling elites came to an end in the 1950s with the arrival to power of Alfredo Stroessner, a military leader that would unify the government in alliance with the Colorado Party and the armed forces. General Stroessner would exercise almost absolute control over the fate of the nation for the next forty years. The Stroessner years were characterized by the monopoly of power, the militarization of politics, the politicization of the Armed Forces, and the militarization of the Colorado party. The Colorado party became the conduit for clientelism and patronage: to enter the military Academy, the police, or any civil service job required to

¹ The estimated Paraguayan population in 1864 was 800,000. Of those about 200,000 survived, and about 68,379 were male, half of them children. Carlos Pastore. La lucha por el la tierra en el Paraguay in Flecha (2013).
be a member of the party. Economically, any company that wanted to provide services to the State, needed to have the approval of the Colorado party.

By the late 1980s, internal divisions within the Colorado party (always latent) intensified as the General aged and succession questions challenged the status quo; economic malaise and poor performance further challenged the business’s elite alliance to the government; as well as frictions within the military led to a revolt against Stroessner who was deposed in 1989. Thus, the democratic transition of Paraguay started, but it would be marked by years of instability as well as the power struggle within the Colorado party and its allies for the control of the State and its resources.

A series of reforms were introduced including the enactment of a new electoral code (introducing party primaries for the first time), and a new Constitution in 1992.

The new constitution was undoubtedly the result of the political and cultural history of the country, and central to its history had been very strong government centralization and decades of authoritarianism. The new law of the land sought to remedy some of those problems by keeping the division of powers but redefining it; by creating control institutions independent and autonomous of the government, and by defining the Paraguayan State both as unitary and decentralized.

The Constitution also mandated the creation of the Electoral Tribunal in charge of running the country’s elections.

Some of the most important reforms introduced by the 1992 Constitution include:

a) Introduction of a broad definition of democracy with participatory and pluralist principles;
b) Guarantee the respect of peoples’ rights;
c) Introduction of the principle of decentralization as a key element of the Paraguayan state. In this regard, articles one and three of the Constitution defined the Paraguayan state as unitary and decentralized;
d) The President’s attributions were curtailed;
e) New control powers were assigned to the Parliament;
f) Deep reforms of the Judicial system to ensure its independence;

In the new Constitution the principle of decentralization is clearly expressed with the new political/administrative structure established for administration of the territory. Furthermore, the 1992 Constitution for the first time in Paraguayan history gives administrative autonomy to the regional level (Departments) and reaffirms the existing autonomy of the municipalities. Both Departments and municipalities become decentralized administrative territories. This element of autonomy is reinforced by the fact that governors, mayors, departmental and local councilmembers are to be directly elected by the people.

The impetus for decentralization in Paraguay was the result of a number of representatives from the interior of the country in the constitutional convention that
aimed to balance the power gap between the capital city of Asuncion and the country’s regions. Years of appointed central government “delegates” and mayors had led to a desire for more control at the local and regional level. This group, called the “bancada campesina” or the “peasants delegation”, effectively lobbied the rest of the constitutional representatives to include decentralization and the elections of governors and mayors directly by the people in the new Constitution.

Regardless of the reasons for decentralization, since the early 1990s, the country has seen a push for policy decentralization in areas such as health, education, and finances. Some reforms have been introduced to mixed results, but the it would seem that there is a lack of political will to fully decentralized policy areas.

It is argued that the greater the support of political parties and legislatives to decentralization policies, the greater the probability for the passage, approval, and implementation of public service decentralization laws.

It is further argued that the clientelistic and patronage nature of Paraguayan politics and political parties, make the implementation of decentralization policies very difficult to achieve.

The two main political parties of Paraguay are the already mentioned, Colorado Party and the Liberal Party. The Colorado party has traditionally been the dominant party and the one that controlled the State and its resources through its unconditional alliance with General Stroessner. In its origins, the Colorado party represented the rural oligarchy; broadly speaking its ideological stance can be considered more rural oriented, traditional, clerical, statist, and conservative (Abente Brun, 2007).

The Liberal party has traditionally represented the more urban commercial bourgeoisie, thus it is considered more urban oriented, more modern, somehow anti-clerical, and somehow more pluralist.

Other political parties that have played a role in the years after the transition to democracy include the Patria Querida party (more urban and conservative, pro-business), the Encuentro Nacional party, the Pais Solidario party (a socialist group). There is also a diversity of smaller left-leaning political parties, as well as a splinter group of the Colorado party that created the UNACE party.

All these parties have - at some point - had representation in the Paraguayan Congress, and have had the chance to move decentralization forward. But, all these parties have matched the clientelistic nature and habits of the Colorado party when it was in power. The “pervasive logic of clientelism” as Abente Brun calls it, has been present in all Paraguayan governments since the transition to democracy regardless of who controlled the Executive (the Colorados for the most part except during the 2008 – 2010 period) or the Congress (alternated between the Colorados and the opposition thanks to odd alliances with different parties; and with differences in the Senate or the Chamber of Deputies).
Table 1: Control of Congress by Political Party

<table>
<thead>
<tr>
<th>Period</th>
<th>Status Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989 – 1993 period</td>
<td>control of the Colorado Party</td>
</tr>
<tr>
<td>1993 – 1998 period</td>
<td>control of the opposition</td>
</tr>
<tr>
<td>1998 – 2003 period</td>
<td>control of the Colorado party</td>
</tr>
<tr>
<td>2003 – 2008 period</td>
<td>shared control but with more leverage by the opposition parties</td>
</tr>
<tr>
<td>2008 – 2012 period</td>
<td>control of the Colorado party</td>
</tr>
</tbody>
</table>

Source: author

All political parties in Paraguay seem to see access to the State and its resources as the only way to extend their political base. This can be clearly seen on the growth of public employees that has never diminished, regardless of what political party was in control of the government. The table below shows the percentage of GDP generated by taxes and fees, and the percentage of those revenues that are spent in salaries and benefits to state employees (“Bureaucratic pressure”) (Abente):

Table 2: Bureaucratic pressure in Paraguay

<table>
<thead>
<tr>
<th>Year</th>
<th>Fiscal Pressure</th>
<th>Bureaucratic Pressure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-1989</td>
<td>7.7%</td>
<td>42.4%</td>
</tr>
<tr>
<td>1989-1999</td>
<td>10.5%</td>
<td>61.3%</td>
</tr>
<tr>
<td>2000-2003²</td>
<td>9.7%</td>
<td>86.0%</td>
</tr>
<tr>
<td>2004-2005</td>
<td>11.9%</td>
<td>61.0%</td>
</tr>
<tr>
<td>2006</td>
<td>12.0%</td>
<td>62.0%</td>
</tr>
<tr>
<td>2007</td>
<td>11.4%</td>
<td>63.0%</td>
</tr>
<tr>
<td>2008</td>
<td>11.8%</td>
<td>61.0%</td>
</tr>
<tr>
<td>2009</td>
<td>13.0%</td>
<td>66.0%</td>
</tr>
<tr>
<td>2010</td>
<td>13.1%</td>
<td>61.0%</td>
</tr>
</tbody>
</table>

Source: Abente Brun. Page 56

² This period saw the election of a vice-president of the Republic won by the Liberal Party. The increase in bureaucratic pressure can be attributed to a spike on government jobs created to benefit Liberal supporters.
The previous table shows that the capacity to collect revenue in Paraguay has been increasing, but, more importantly the expenses spent on salaries has increased from about 42% in the 1980 to 1989 decade to 61% by 2010. Thus, there are very few resources left that can be spent on the provision of services and goods.

It is has been argued that the introduction of electoral reforms such as the need for party primaries have contributed to the fragmentation of Paraguayan political parties, in particular for the Colorado party, as the primaries have made unifying the different factions of the Party much harder to achieve (Setrini, 2010). The same can be said for larger parties such as the Liberal party.

Decentralization has also introduced further incentives for party fragmentation as now mayors and governors also see their role as providers of jobs and benefits to their supporters, weakening party loyalty, and increasing clientelism and patronage practices.

The role of Paraguayan political parties represented in Congress in supporting decentralization legislation has been mixed. Though most political parties pay lip support to decentralization, their record in actually supporting it in Congress shows otherwise. Over the 1992 – 2010 period, only eight laws related to decentralization were approved, and of those only two have to do with public service delivery (health and education decentralization), four are finance related, and two have to do with the municipal and Departmental structure of the country. Though all these laws were approved by a majority of parties both in the Senate and the Chamber of Deputies, many languished in committee for years before being taken up 3.

In an interesting study, it is argued that legislators in Paraguay are more inclined to pursue particularistic policies rather than pursue large policy changes (Molinas, et al; 2004). By looking at every single piece of legislation introduced since the return of democracy up to 2003, the authors are able to reach these findings. The need to ensure political support through clientelism and patronage (and not only from their constituents) would incentive legislators to avoid controversial policies that could also reduce the level of support from now elected mayors and governors who are often seen as potential rivals; not to mention the reticence to upset large bureaucracies that are very reluctant to give up power. The fact that only two major pieces of legislation dealing with public service delivery have been introduced and voted on would seem to solidify this view.

Moreover, many of these laws had to face strong opposition, and even overcome vetoes, from the Executive branch. Much reticence still persists to the implementation of decentralization policies in large government bureaucracies and many political leaders do not want to upset them, as they constitute a very important voting block.

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3 Regrettably, the Paraguayan Congress does not keep records of how each representative by political party voted these laws. Only recently has this been done. It would be of interest to look at how members of different political parties voted for the laws, and if there were significant deviations from party rhetoric.
In concluding, it can be argued that in the case of Paraguay, it would seem that as long as the most important job of the State is perceived to be the provision of jobs and perks to the political supporters of the government of the moment, effective decentralization of public policies would not be achieved as important resources are shifted from priority areas to salaries, perks, and other benefits of those with an interest of keeping the status quo or to those who would like to have access to such benefits.

**Political Parties and Decentralization in Colombia: Deinstitutionalization/Fragmentation, Regionalism, and a Return to Centralism?**

With 47.8 million (2012) inhabitants, Colombia is one of the first major countries in South America to initiate the process of decentralization in the mid 1980s.

Colombia exemplifies a country that went through a rapid, significant and consistent decentralization process in the 1980s and 1990s to a considerable slow down in the last decade.

Colombia has three levels of government: national, regional (Departments) and municipal. Indigenous territories are also recognized by the 1991 Constitution. Each Department is headed by a governor and a legislative assembly; municipalities by a mayor and a municipal council. All directly elected by the people.

Contrary to other countries where political and administrative decentralization came first, Colombia’s decentralization started with fiscal issues. Already with the constitutional reform of 1968, a mechanism to transfer funds to Departments to be spent on health and education was implemented. In the 1980s the concepts of administrative decentralization and deconcentration are added to the debate on decentralization. By 1986 political decentralization of the country is strengthened with the direct election of mayors by popular vote.

By 1986 a program to reform municipalities is also initiated. Municipalities regain responsibilities over water provision, environmental health, building and keeping up of schools, hospitals and roads; housing, urban transportation and cadastres. Health and education responsibilities are progressively transferred to municipalities and departments as well as funds. But the resource and administrative transfer does not include the technical and human resources needed. Consequently, the provision of certain services was affected.

In the early 1990s, Colombia was going through yet another of its most troubled times in history. Political and social instability, years of armed conflict and drug smuggling related political and social violence were completely undermining Colombia’s institutions. Recognizing the need to address the fragility of the State, the government of then President Barco, called for the election of a Constitutional Assembly in late 1990. In it, the traditional political parties did not have a clear mandate and a plurality of movements were represented (including former guerrillas); the debate centered partly in
the merits of a federal or a centralist state. At the end, the 1991 Constitution establishes Colombia as a unitary, decentralized and participatory state.

The new Constitution gave the Ministry of the Interior the responsibility to design and oversee the decentralization process, and to the National Planning Department the responsibility of monitoring and evaluation of decentralization policies and programs. It also had a very important element of political decentralization by enacting that governors will be no longer appointed by the president of the republic but elected by popular vote. It also increased the funds transferred to departments and municipalities established in 1968 (situado fiscal), but it did not provide autonomy since the central government continued to dictate how the funds were to be spent (Escobar-Lemmon, 2006).

But probably the issue that has called the most attention regarding the Colombian experience is its fiscal decentralization policies and the implications it has had for subnational governments and to the process as a whole.

The 1991 Constitution redefined the roles and functions of departments and municipalities but it also established a completely new transfer system, which was implemented by law in 1993 (Acosta, 2003). The 1968 situado fiscal was increased from 15% to 23% to almost 25% by 1996. As before the funds were earmarked for education (60%) and health (20%) the remaining 20% discretionary. The transfer to municipalities went directly to them and it was also earmarked to education and health. Another source of funds for municipalities came from the Municipal Participation fund with a quite complicated and rigid transfer system. Those funds were to be spent on education (30%), health (25%), water and projects (20%), and 25% on other social projects (Alesina, et al. 2000). Finally, municipalities were also to perceive from the royalties on production of oil and coal.

By 1997 the central government’s deficit was growing considerably. A series of reports concluded that the “principle cause of this deficit was the growth in transfers” (Acosta, 2003). Controlling macroeconomic stability became a central issue for the national government and measures were taken to cap transfers to subregional governments as well as more restrictions on how funds could be spent (including how much elected and appointed officials could be paid).

A serious consequence of the increased role of municipalities in providing services and their access to considerable more funds in a country with the degree of political violence that Colombia had is what Kent Eaton has called “armed clientelism”.4 Both guerrilla groups and right wing militias saw in political, fiscal and administrative decentralization the opportunity to extend their control over populations and resources. Both groups understood very quickly the opportunity that decentralization presented them with and both sought, and obtained, control over many local governments further exacerbating an almost intractable situation.

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This violent political situation and the fiscal imbalances created by subregional excessive expenditures and indebtedness contributed to a decline on the promotion of fiscal, political and administrative decentralization by the central government. The governments of former presidents Samper and Pastrana, and especially former president Uribe have put a hold on the process. The present government of president Santos has not significantly acted upon decentralization of public services and much criticism has been done to the way public services decentralization like education and health have been implemented. Access and quality of services continue to be a challenge for Colombian municipalities, as well as the health of their local finances. In that manner, the country that was seen as model for decentralization by many countries in the region is no longer in the forefront of decentralization.

Decentralization has also been challenging for Colombian political parties. Traditionally the country has had two major political parties: the Conservative and Liberal Party which - given their inability to find consensus and negotiate differences - had many times led the country to violent confrontations and civil wars.

Decentralization has impacted the nationalization - defined as the extent to which parties obtain similar shares of the votes throughout the national territory- (Imke, 2012) of Colombian political parties as both the Liberal and Conservative parties have seen their share of votes diminish to regional parties or movements in each election since the mid-1990s.

Political and fiscal decentralization created the incentives for regional leaders to distance themselves from the traditional leadership of their parties in order to strengthen their own support base. The important and extensive fiscal decentralization of Colombia has certainly contributed to the fragmentation of parties and helped the emergence of important regional political movements like the ones in the Colombian Atlantic coast.

Colombia has also given its local and regional authorities a large number of functions ranging from primary and high school education, infrastructure, health programs, transportation, and local economic development while at the same time guaranteeing access to national transfers and, most importantly, royalties from oil and coal. Thus, local and regional governments, though not autonomous in their revenue sources (and though much controversy still surrounds the efficiency and regional equity in the allocation of royalty funds), do have a steady source of funding and have reduced their financial dependence from national parties. Colombian traditional parties have, as a consequence, deinstitutionalized and fragmented (Dargent & Munoz, 2011; Sabatini, 2003).

Much of these changes are a result of the reforms introduced by the 1991 Constitution, which included electoral reforms specifically aimed at reducing the power of regional barons already in Congress (by eliminating budget resources); and it lowered the requirements for new parties to compete in national and local elections, thus opening the system to new parties. As a consequence, and beginning in the mid 1990s, the Conservative and Liberal party gradually - and increasingly - started losing their share of the votes in national and local elections (table 3 below).
Table 3: Presidential Share of the Vote (1998-2010)

<table>
<thead>
<tr>
<th>Year</th>
<th>Liberal Party</th>
<th>Conservative Party</th>
<th>Si Colombia (Sanin)</th>
<th>Uribe’s Party</th>
<th>Polo Democratico</th>
<th>Partido Verde</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>34.6</td>
<td>34.3</td>
<td>26.9</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2002</td>
<td>31.8</td>
<td>-</td>
<td>5.8</td>
<td>53.1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2006</td>
<td>11.8</td>
<td>-</td>
<td>-</td>
<td>62.4</td>
<td>22</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>4.4</td>
<td>6.1</td>
<td>-</td>
<td>46.5</td>
<td>9.2</td>
<td>21.5</td>
</tr>
</tbody>
</table>

Source: Dargent & Munoz, page 54

In Congress, all of these changes have meant that, at times, it can be very difficult to keep track of which congressman is in which party and on which platform said congressman might run for president. It has also had an impact on the possibility of further policy decentralization to move forward. As centralist Executives (especially the former Uribe administration, and the current Santos administration on the royalty funds management) try to re-centralize functions; a divided, diverse, and multiparty representation in Congress has been less able to form a front to push back advances aimed at curtailing decentralization. Interest groups such as the Colombian Federation of Municipalities and the Colombian Governors Association have seen the need of increasing their lobby efforts in Congress, and directly with the Executive, in order to try to influence policies that might have an impact on the territories.

Thus, decentralization in the case of Colombian political parties have meant a multiplication of regional parties, political movements, all highly fluctuant on their allegiances, with weak ideological principles where convenience and electoral aspirations seem to have replaced the two traditional political parties. As most decentralization policies laws and regulations had been enacted before the 1991 Constitution (which enhanced political decentralization with the direct election by popular vote of mayors and governors), political parties’ role in Colombia’s decentralization process now concentrate on deepening the administrative, financial, and political reforms (mayors for example can’t be immediately reelected), while trying to ensure territorial equality, something that might be difficult to achieve with the high level of party deinstitutionalization of Colombian politics.

Conclusions
This brief overview of the impact of decentralization on Colombian and Paraguayan political parties and their respective ability to influence the decentralization process, has found that indeed decentralization has contributed to the deinstitutionalization and fragmentation of well established traditional parties in Colombia; and in the case of Paraguay, decentralization has exacerbated internal differences between the two main traditional parties, contributing to more clientelism and patronage. These differences and their internal divisions seem to contribute to the Executive’s lack of support for decentralization and inhibited the deepening of decentralization reforms approved over the years.

Escobar-Lemmon posits that parties that are regionally based and are well institutionalized will tend to support decentralization (2003). Both the Colombian case and Paraguayan case seem to support her findings. In the case of Colombia, where regional parties and/or political movements have dominated elections over the last fifteen years, decentralization (administrative, financial, and political) is being kept in the political agenda thanks to their pressure and representativeness in Congress. But, their lack of cohesion and ability to set a common agenda, also aids the Executive’s tendencies to re-centralize government functions, especially in areas of fiscal decentralization.

In the case of Paraguay, a country without strong regionalism and much smaller in size than Colombia, regional interests have not been able to influence the process of decentralization.

In both countries, political parties lack strong programmatic bases and rely more on caudillism and personal leadership thus lacking stability and policy consistency. Decentralization and the implementation of decentralization policies is then subject to the will of political leaders who may or may not support it. Not having a strong party ideology or program also limits society’s chances to demand accountability on crucial policy issues.

In Colombia, and as predicted by previously mentioned research, extensive fiscal decentralization has indeed encouraged autonomy of regional leaders from the national party leaders, contributing to party fragmentation. In Paraguay, where only recently has seen an increase on fiscal decentralization, it is too early to predict if regional and local leaders would become more assertive or if it would increase clientelism and patronage even more.

Decentralization has indeed brought changes to the balance of power in political parties both in Colombia and Paraguay, but more research needs to be done to explore how the interactions within and among political parties, as well as the influence of the legal framework, the autonomy and capacity of local and regional governments have contributed or not to the decentralization reforms.
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