
➔ **BOLIVIA:**
CITIZENS EXERCISE THEIR RIGHT TO BE INVOLVED IN THE AID SYSTEM

In a Nutshell

A host of measures – some endogenous, some externally driven – have infused a new era of government in Bolivia, one where the growing strength of citizen voices has put to rest the prior history of poor governance by “cocaine generals”. It all began in 1994, when the Bolivian Parliament passed a seminal law on decentralization that devolved basic governance down to the municipal level, while providing for close monitoring by citizens’ vigilance committees. Other measures included the streamlined management of aid and technical cooperation, and the 1998 National Dialogue.

The result has been greater citizen involvement in governance and policy-making, which has significantly buttressed the capacity of local institutions and encouraged a burgeoning sense of national ownership of development. Recently, widespread participation in the preparation of the Bolivian PRSP garnered an array of new perspectives on policy issues, leading Bolivia to be dubbed a model country.

The Story

The Law of Popular Participation passed by the Bolivian Senate in 1994 introduced accountability to Bolivia, from the central government down to the local municipalities. It empowers democratically elected municipal councils to design and execute local development policies and programmes, funded by budgetary transfers from the central government. The law also requires that community organizations participate in the formulation of five-year municipal plans that contain social, infrastructure, production and environmental components.

Parallel vigilance committees monitor the municipal councils. They consist of six elected representatives from traditional institutions such as peasant syndicates and neighbourhood associations. Their key function is to ensure that municipal programmes and budgets reflect local priorities. Additionally, they can invoke a legal instrument (called a *denuncia*) against local councils. They may call for regular audits, and, upon detecting corruption, can report it to the national executive, which in turn passes the complaint to a special committee of the Senate. The Senate has the power to suspend funding to the council until the matter is resolved.

The Law of Popular Participation was one of a handful of factors helping Bolivia shift from being a country with a high degree of donor control and a proliferation of expatriate consultants to one where development is now driven by national or local leadership. Particularly since the National Dialogue in 1998 – which brought together most constituencies within the country to discuss development issues – donors and the government have worked constantly to harmonize the large number of donor interventions. To begin with, the current national government reassigned aid management within the executive branch. Under this arrangement, the Ministry of Economy, through the Vice Ministry of Public Investments and External Financing, replaces the Ministry of Planning as the primary agency for all technical cooperation and aid matters.

The legal framework guiding aid and the development of the capacity to manage it is now set by the Executive Power Organization Act and its by-laws. This has put an end to individual meetings with donors, which were overwhelming for the national bureaucracy. The programme on education reform, for example, required eight to ten mission meetings a year, which meant ministry staff spent a great deal of time setting up meetings and receiving missions. The new government policy calls for transmitting country and regional priorities to all international donors. Communication with donors and foreign governments is ongoing, but without the need for frequent meetings.

Donors have welcomed this approach. Under the earlier regime, many felt that the government heeded only the larger agencies. A committee system now ensures that all participate equally and facilitates the flow of information. In general, decision-making abilities within the national government and municipalities have been enhanced.

However, the results are far from perfect, and at best the case can be cited as a work in progress. Donor domination is still evident in a number of areas, such as macroeconomics and social spending. Key development players also wrangle over how to identify the best mechanisms for strengthening municipal institutions, with the government striving continually to define national and field policy actions for municipalities. Currently, the Vice Ministry of Public Investments and External Financing collects demands from departmental and municipal governments, evaluates requests, and eventually files petitions and negotiates with donors.

The National Dialogue was a large step towards boosting citizen participation in setting policy priorities. Yet in 2000, the peasant protests in Cochabamba against the privatization of water resources showed clearly that popular participation in policy-making has only had partial success. Bolivia also continues to face the challenge of matching the devolution of resources with capacity in outlying areas.

Results and Critical Factors

- The Law of Popular Participation has officially recognized the existence and importance of community organizations. It has legally enshrined a role for civil society that aims at a synergy between local government and community groups, while also setting up a watch-dog mechanism whereby people can hold the state accountable.
- Civil society organizations are now formally involved in planning, discussion and negotiation with local government. In the future, the depth of their involvement will depend on the ability of the state to fully embrace a transparent political culture. As recent political events following the national legislative elections in Bolivia indicate, this can be a risky venture, one that needs to be carefully managed to avoid raising false expectations that later collapse in frustration and loss of trust.
- The devolution of funding to the local level has resulted in some municipal council budgets increasing by up to 100 per cent. Municipal councils are also in a position to apply for donor funds, and community organizations have become the most important area for donor investment, mostly in the form of capacity development and support for participatory methods.
- Government and donors have established a level of comfort with the degree of participation and oversight engendered by the National Dialogue. The PRSP formulation was deemed to be a model having been reasonably led by national priorities.

Further information

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