

**Municipal Decentralization and Peasant Organization in Ecuador:  
A Political Opportunity for Democracy and Development?**

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## Municipal Decentralization and Peasant Organization in Ecuador: A Political Opportunity for Democracy and Development?

Advocates of municipal decentralization argue that transferring decision-making power to levels of government that are 'closer to the people' will strengthen both democracy and opportunities for development.<sup>1</sup> However, in countries such as Ecuador, there is considerable tension between the proposed benefits of decentralization on the one hand, and on the other hand, patterns of highly unequal socio-economic power relations, a political culture characterized by clientelism, corruption,<sup>2</sup> populism and instability<sup>3</sup> (see Schodt 1987) and processes of neoliberal economic restructuring - phenomena that are often most acutely felt in rural areas. The question then is: can the theoretical benefits of municipal decentralization be realized within such contexts?

In Ecuador, local level peasant and indigenous organizations have begun to display a growing interest in municipal politics<sup>4</sup> and a small but increasing number of rural municipalities have recently attempted, with greater and lesser degrees of success, to introduce processes of participatory decision-making into their administrations and to promote processes of local economic development.<sup>5</sup> This paper examines three of these cases in an effort to identify the conditions, both structural and conjunctural, under which decentralization might open "political opportunities"<sup>6</sup> for indigenous and campesino organizations to increase their influence in local government decision-making, and tries to distinguish the limits for those organizations of pursuing political strategies focused on the municipal sphere.

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<sup>1</sup> See for example: Fox (1994, 106); Tandler 1997, 144-5; Rondinelli 1981, 135-136; World Bank 1997, 122-4.

<sup>2</sup>In 1999, Transparency International ranked Ecuador as the 18<sup>th</sup> most corrupt country in the world in 1999, up from 9<sup>th</sup> most corrupt in 1998.

<sup>3</sup>For example, Ecuador has had 5 presidents since 1996: Sixto Duran Ballén (1992-96), Abdalá Bucaram (1996-97), Fabián Alarcón (1997-98), Jamil Mahaud (1998-2000) and Alvaro Noboa (2000 - ).

<sup>4</sup>In 1996 municipal elections, indigenous and campesino leaders were elected as mayors in 10 municipalities. Another 43 indigenous and campesino candidates elected as municipal councilors in 33 of Ecuador's 214 municipalities (Ecuarunari 1997).

<sup>5</sup>It is necessary to clarify the terminology used to refer to local-level politics in Ecuador. The *municipality* is the local government; the *municipal council* is the group of elected councilors and mayor (7 to 8 in most rural municipalities); the *canton* is the geographic area governed by the *municipality*. Each *canton* is divided into various *parishes*, each of which is directed by a *Parish Junta (Junta Parroquial)* - which have traditionally been appointed by the local mayor but will be elected beginning in May 2000.

<sup>6</sup>On the idea of "political opportunities" see Tarrow 1994.

The first section of the paper raises some methodological questions for the study of rural municipal governments. The second section provides a brief analytic description of attempts to establish participatory administrations the three highland municipalities - Guamote, in the province of Chimborazo, Cotacachi in the province of Imbabura, and Bolivar in the province of Carchi. The final section then seeks to identify common factors that have either contributed to or acted as obstacles against municipal democratization as well as possible lessons for peasant organizations pursuing political strategies aimed at municipal power.

## **I. TOWARDS A METHODOLOGY FOR UNDERSTANDING POPULAR PARTICIPATION IN LOCAL GOVERNMENT**

Various studies have sought to explain efforts by local governments in Latin America to promote processes of participation and local development (see, for example Tandler 1997; Abers 1998; Winn 1997). However, these authors have tended to focus their analyses on the institutional design of participatory mechanisms themselves and on the particular political and administrative strategies pursued by municipal authorities. While not denying the importance of strategy and institutional design, this paper also seeks to identify broader structural conditions, such as patterns of asset and power distribution that might condition efforts by campesino and indigenous organizations to expand their influence in municipal politics.

Local governments continue to be neglected in both studies of democratization and of the role of the state in promoting development.<sup>7</sup> As a result, it is necessary to develop a methodology for analyzing 'local-state'-society relations. This paper proposes as the core of that approach a modified application to the local or micro-regional level of Barrington Moore's (1966) method for explaining democratic and authoritarian political outcomes. As Huber (1995) argues, Moore's model cannot be applied in Latin America without significant modifications.<sup>8</sup> The essential elements of Moore's analysis, however, are an emphasis on historically structured socio-economic power relations based on patterns of land and asset distribution in explaining the emergence of different political systems. As Huber asserts, comparisons of the application of Moore's model to different national settings in Latin America "confirms the importance of the presence of large landowners dependent on a large supply of cheap labor for authoritarian outcomes, as opposed to the democratizing impact of the presence of smallholding patterns." (1995, 18).

An analysis of power relations at the national level suggests that conditions for democratic governance and social relations in Ecuador are weak, despite the presence of formal democratic institutions and certain elements of procedural democracy. Ecuador has not undergone a

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<sup>7</sup>This neglect is slowly beginning to change. See for example Nickson 1995; Fox 1994; Tandler 1997; Cornelius, Eisenstadt and Hindley 1999; an increasing number of World Bank publications on local government, and even this year's LASA program.

<sup>8</sup>In particular, Huber argues that Moore's model pays insufficient attention to the role of subordinate classes in shaping political outcomes and that there may be other paths to democracy than 'bourgeois revolution' (1995, 17-18).

'bourgeois revolution' and both political and economic power remain concentrated in the hands of an elite with its roots in large landholdings which has diversified its interests into commercial, financial and industrial activities and has become fused with other sectors of capital (see Hansen 1971; Brownrigg 1972; Conaghan 1988).<sup>9</sup> However, as the second section of the paper argues, an analysis of the micro-regional level in Ecuador reveals a greater diversity of asset distribution and socio-economic power relations. A clear example is the varied impacts of the 1973 agrarian reform in Ecuador. While the reform had a significant effect on land tenure patterns and power relations in certain cantons, it had no impact on many others.<sup>10</sup> As this paper argues, an understanding of the diversity of local level asset distribution and power relations is critical to an analysis of possibilities for local level democratization and development.

### **The Politics of Decentralization in Ecuador:**

The question of whether decentralization might open political opportunities for peasant organizations to increase their influence in municipal decision-making requires an analysis of the specific nature of those decentralization policies themselves; that is, the extent to which those policies favor the interests of, for example regionally-based financial elites as opposed to small peasant producers. The actual capacity of peasant groups to then exploit whatever political opportunities might be created by decentralization varies widely in Ecuador. As section two reveals, in some cantons, peasant organizations have developed clear political strategies aimed at attaining municipal political power and have been contesting municipal elections for two decades, while in other cantons peasant organizations are weak and 'local state'- society relations are characterized by individual clientelist links between peasants and local politicians. Moreover, as Miguel Lluco, the national coordinator of Ecuador's Indigenous political party - Pachakutik, acknowledged, demographics make it unlikely that Indigenous and campesino mayors could be elected in more than 36 or 37 of Ecuador's 214 municipalities (Interview 02/07/99). It is in a much fewer number of cantons still, where local indigenous movements have actually developed political strategies aimed at capturing municipal power; in most cases, the political strategies of local Indigenous and campesino organizations have focused on the parish level.

It bears emphasizing that the cases examined in this paper have little to do with the still incipient process of decentralization in Ecuador. The experiments with 'participatory democracy' in the three cantons I studied were not responses to state policies but rather to local level conditions and actors. Although the still undefined nature of Ecuador's decentralization process makes it impossible to analyze any specific decentralization policies, it is possible to make some general observations on the field of forces influencing the direction that process is taking and the political opportunities that are likely (or not) to open for peasant and other popular sector organizations.

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<sup>9</sup>Zeitlin and Ratcliff (1988) use the term KINECON (kinship-economic) group to describe the process of elite fusion in Chile.

<sup>10</sup>On the general impact of Agrarian Reform in Ecuador see: Griffin 1981; Zevallos 1989; Bretón 1997; Lefebver 1998; Martínez 1998; Navas 1998.

While pressure and influence from International Financial Institutions like the World Bank and donor agencies such as the German GTZ (*Gesellschaft für Technische Zusammenarbeit*) have been important incentives for decentralization in Ecuador, the most important forces shaping the process are found at the national level. Thus far, decentralization has been a very ambiguous and contradictory process. Ecuador's legal framework appears to strongly favor decentralization. Article 226 of the 1998 Constitution declares that all state functions can be decentralized except for defense and national security, foreign policy, international relations, macro-economic policy and foreign debt negotiations. (Republica del Ecuador 1998). The 1997 'Law of 15%'<sup>12</sup> requires that 15% of the state budget be transferred to municipal and provincial governments, in the proportion of 10.5% and 4.5% respectively. However, despite this legal structure, the political will to implement and enforce decentralization laws is very weak.<sup>13</sup> The state continues to be highly centralized and state transfers to municipalities and provinces not only remain at approximately 7%, but are also extremely slow - often months late - thereby causing serious budget problems for sub-national governments.

The dominant decentralization discourse, as promoted by the World Bank,<sup>14</sup> provides a veneer for decentralization debates in Ecuador. However, a myriad of local, regional and national level actors, all with their own particular economic and political interests - which often have little connection to the official public discourse and proposed theoretical benefits of public sector reform - are more important in shaping the decentralization process. The crumbling of the 'petroleum state' that had legitimated centralized administration through state largesse has led to increasing numbers of social sectors calling for decentralization. Business associations, unions, indigenous organizations, municipal and provincial governments and their representative organizations, universities, as well as the state's technically-oriented and World Bank funded National Modernization Council (CONAM) have all been active in the debate. The dominant force in the process, however, is the financial elite of the coastal city of Guayaquil and its proposal for autonomy for the province of Guayas, of which Guayaquil is the capital.

Until 1999, decentralization was not a 'hot' political issue in Ecuador (León 1998). However, in March 1999, Guayaquil's financial elite, under the leadership of mayor and former president Leon Febrés-Cordero, a leading member of the Social Christian Party (PSC) that represents that elite, used the closure of a major Guayaquil-based bank to manipulate

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<sup>12</sup>*Ley especial de distribución del 15% del presupuesto del gobierno central para los gobiernos seccionales* (1997).

<sup>13</sup>The Interamerican Development Bank asserted that in Ecuador, "current legislation is sufficient for decentralization and the only thing lacking is the political will to [implement the legislation]." (1996, 17).

<sup>14</sup>By 'dominant discourse', I refer to the emphasis on improving efficiency and accountability by moving government 'closer to the people', and to the principle of 'subsidiarity' that public goods and services should be delivered by the lowest level of government that can capture the associated costs and benefits (see World Bank 1997, 120-124).

longstanding regional tensions and cultural differences between the coast and sierra to lead a frontal attack on the centralized state based in Quito as the cause of the nation's woes. Suddenly, newspaper headlines and magazine covers blazed with criticisms of *centralismo* and presented decentralization as the obvious political solution to the problems allegedly caused by an excessively centralized state.<sup>15</sup>

Not coincidentally, the decentralization process now appears to be shifting away from a focus on municipal governments, as reflected in the 1997 Decentralization Law, to a process favoring provincial autonomy which would enable provinces to collect and distribute tax revenues.<sup>16</sup> The leading force in this shift is the Guayaquil-based *Movimiento Fuerza Ecuador*, a political 'movement' composed of young charismatic entrepreneurs and financiers belonging to Guayaquil's elite families. *Fuerza Ecuador* has collected the 400,000 signatures needed to force the Province of Guayas to hold a referendum on provincial autonomy.<sup>17</sup> The Ecuadorian state followed this move by calling for a nation-wide referendum on provincial autonomy, likely to be held on May 21, 2000.

This is not the first time that the Guayaquil elite has turned to a manipulation of regionalism and anti-centralism in an attempt to increase its control over state resources. Indeed, Quintero and Unda refer to regionalism as the "reserve ideology" of the Guayaquil elite (1991, 1). A reading of Quintero and Silva (1991) similarly reveals that the inflammatory regionalist discourse and political strategies aimed at decentralization, federalism and autonomy have been almost identical in political conflicts between the Guayaquil elite and Quito-based national government in 1939, 1959 and 1999.

To be sure, the decentralization process is also in part a response to pressures from the indigenous movement for territorial autonomy and to CONAM's technical proposals for state modernization. However, the Guayaquil elite is clearly the dominant force and it is likely that decentralization policies will respond primarily to its interests (Corral 1999) in a manner similar to the way that it strengthened its power through the earlier selective application of structural adjustment programs (Conaghan, Malloy and Abugattas 1990; Larea and North 1997).

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<sup>15</sup>See for example the April 15, 1999 front cover of *Vistazo*, Ecuador's leading biweekly current affairs magazine: "Centralismo: le llegó su hora!"

<sup>16</sup>A clear example of this shift is the change in position of Susana Gonzalez, a Social Christian Party congresswoman and author of the 1997 Decentralization Law (*Ley Especial de Descentralización del Estado y de Participación Social*, 22 October 1997) - which strongly favoured municipal governments. She is now publicly promoting the movement for provincial autonomy (see Gonzalez 1999).

<sup>17</sup>For a plethora of newspaper articles on and policy documents by *Fuerza Ecuador*, see the organization's web site: [www.fuerzaecuador.org](http://www.fuerzaecuador.org)

The critical difficulty with a decentralization framework favoring provincial autonomy is that only a small minority of provinces - namely those of the coastal export elite and Pichincha where Quito is located - generate enough revenue to operate even quasi-autonomously from the state. Such a decentralization scheme is unlikely to transfer significant resources and responsibilities to municipal governments, and thereby open opportunities for those peasant and popular sector organizations capable of capturing municipal power.

Beyond the nature of decentralization policies themselves is the question of the political opportunities that are being *closed* by other macro-level policies being implemented by the state. A few key examples of current policy direction are worth pointing out. First, while authority over 'soft' or social responsibilities such as health care and education is being decentralized, the power to make macro-economic decisions is becoming increasingly *concentrated* in the executive - leading to what Pachano refers to as 'hyper-presidentialism' (1998, 82). Even more extreme, Ecuador's recent decision to adopt the US dollar for all major transactions effectively cedes monetary power to the US Central Bank (The Economist 2000). Similarly, the 1994 Agrarian Development Law, based on US-AID financed studies, makes future land re-distribution almost impossible and encourages the break-up of communally held lands (Bretón 1997; Martínez 1998; Navas 1998).

The economic crisis currently gripping Ecuador<sup>18</sup> is in many ways a result of macro-economic policies devised by the state to serve the interests of the small and myopic economic elite that controls political power (see North 1999; Larrea and North 1997). The key question concerning the relationship between the macro-economic framework and decentralization is: can the proposed benefits of decentralization for local development and democracy actually be realized in the context of Ecuador's macro-economic policy framework? Although further research and data are still needed to answer this question, the experiences presented in this paper along with others suggest that the answer is, no.<sup>19</sup> Thus, while decentralization *might* open political opportunities for peasant organizations to increase their influence over issues such as education and health care, it is accompanied by, and indeed is inherently connected to a broader process of state reform and macro-economic liberalization that is *closing* political opportunities not only for influence in macro-economic decision-making but even for local economic development.

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<sup>18</sup>Ecuador is experiencing its worst economic crisis since the Great Depression. In 1999, the annual inflation rate was 60.7%; the *sucre* fell 65% against the dollar, and economic output dropped by 7.3%. (*The Economist* 2000, 33).

<sup>19</sup>See North and Cameron (forthcoming) for an analysis of the impact of macro-economic policies on two highly 'successful' cases of local economic development in Ecuador: Pelileo and Salinas. The small-scale production of blue-jeans in Pelileo, singled out by the World Bank (1995, 157) as an exemplary case of non-farm rural income diversification is coming under increasing threat from the large scale imports of used clothing made possible by Ecuador's low import tariffs.

Before turning to the case studies themselves, a conceptual clarification concerning the term ‘participatory administration’ is necessary. In the debate over the meaning of ‘participatory’ in Ecuador, two broad positions can be identified. In the first position, ‘participatory’ is defined vaguely and broadly to include any municipal processes that create opportunities for local residents to voice their concerns, regardless of whether those interventions have any binding authority over municipal councils. The second position restricts use of the term ‘participatory’ to those cases where mechanisms for resident involvement in municipal administration actually have a binding *moral* if not yet *legal* authority over municipal councils. In this paper, the latter more restrictive definition of ‘participatory’ is used. That is, ‘participatory’ refers only to administrative mechanisms that have some binding power over municipal councils and not just consultative status. If ‘participation’ is to have any real impact and not simply become a populist tool, this element of *authority over* municipal decision-making is crucial. Mechanisms for consultation with local residents are referred to as ‘consultative’.

## **II POPULAR PARTICIPATION IN MUNICIPAL GOVERNMENTS IN ECUADOR: THREE CASES IN SEARCH OF AN EXPLANATION**

The three cases of rural local government administration examined in this paper were chosen because they have been broadly recognized in Ecuador as being the most encouraging of ‘citizen’ participation in municipal decision-making and are frequently pointed to as possible models for other small cantons to emulate.. All three municipal governments have received positive coverage from the Ecuadorian press and have attracted significant interest from NGOs interested in working with municipal governments.<sup>20</sup>

The objective of the three case studies was not simply to identify what each municipal administration has done to promote popular participation. Rather, it was to try to understand *why* opportunities for citizen participation emerged in these three cantons, while the vast majority of Ecuador’s 214 municipal governments and Ecuador’s political system in general continue to be characterized by caudillismo, centralism, paternalism, clientelism, corruption, and racism.<sup>21</sup> 79 of

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<sup>20</sup>The three municipalities have been studied by academic and / or non-governmental researchers. However, very few of these studies have systematically sought to identify factors outside of the municipal administrations themselves to explain the relative success or failure of local governments in promoting participation in municipal decision-making, and none have systematically compared the different cases. On Guamote see: Muñoz 1998; Torres 1999; Stanton 1997. On Cotacachi see: Baéz et al 1999; Guerrero 1999; Grimoud 1999. On Bolívar see: Donoso and Granja 1999.

<sup>21</sup>A review of press coverage of municipal politics in Ecuador helps to paint a picture of this situation. See for example the following headlines: “5 alcaldes cuestionados por el manejo de fondos y ineficiencia administrativa” *El Comercio* 25/02/99; “Un muerto en Simón Bolívar: población indignada destruye casa de Alcalde”, “Caos en otros cantones” *El Telegrafo* 25/08/98; “Los nuevos caciques de Los Ríos” *Vistazo* 02/12/99; “La tierra del olvido: inmerso en caos total, el municipio de Esmeraldas...” *Vistazo* 18/11/99; “Dos mujeres y un alcalde” *Vistazo* 01/10/99.

Ecuador's municipalities (37%) have been created since 1985, largely for clientelist electoral reasons and the majority of these have very small populations and municipal budgets.<sup>22</sup> Moreover, the 'developmental' role of most municipalities is limited to small, unplanned public works in the urban center of each canton, while the weak administrative capacity, inexperienced, poorly trained, unmotivated and underpaid staff found in most municipal governments are a serious challenge to introducing participatory processes and improving efficiency (Rosales 1989; Torres 1989). In the case of Cotacachi, observers of the canton in 1990 described the municipal government as having "a limited margin of action and very little administrative capacity" (CAAP 1991, iv).

Field research in the three cantons revealed some surprising results. Local governments in Guamote and Cotacachi did emerge as exemplary cases not only of participatory administration but also of accountability and transparency. However, the third case, Bolivar, turned out to be much more problematic than the positive press coverage and general impressions of Quito-based researchers and NGO personnel had led me to expect. Despite a sophisticated discourse about the importance of citizen involvement in municipal decision-making from the mayor, residents of Bolivar argued that there have been very few opportunities to participate in municipal decision-making and that they were extremely frustrated with the mayor's populist rhetoric in the face of apparent corruption, nepotism and failure to complete any major public works. Thus Bolivar moved from being a positive case to a study of why apparent attempts to promote participatory administration in that canton have largely failed. This section of the paper begins with a brief description of the participatory experiences of Guamote, and then turns to the cases of Cotacachi and Bolivar.

### **Guamote:**

Guamote, located in the central highland province of Chimborazo has a population of 33,000, over 95% of which is indigenous and lives in the canton's 114 rural communities. It is the second poorest canton in Ecuador, with a poverty level of 90.5% and indigence at 53.2%.<sup>23</sup> Guamote was one of the few cantons where the 1973 Agrarian Reform had a profound impact: in 1974, six *haciendas* controlled 72% of all land in the canton; between 1974 and 1980 all of those *haciendas* were broken up and more than 50% of the canton's land passed into the hands of campesinos (INEC 1973; Gangotena et al 1980, 15).<sup>24</sup> Average campesino landholdings are now

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<sup>22</sup>119 municipalities have populations of under 20,000 and another 64 have populations under 50,000.

<sup>23</sup>Malnutrition for under two year olds is 66%, child mortality is 26.7 per 1000 live births, and male and female illiteracy are 29.4% and 49% respectively (the highest levels in Ecuador) (Zamosc 1995, 88-98).

<sup>24</sup>Note that almost all of the canton's land has since passed into campesino hands through land sales, which have generally been a more effective mechanism for redistributing land than agrarian reform laws (Carrasco 1997, 17).

5.5 ha, with holdings exceeding 30 ha per family in several parts of the canton. An important demographic shift followed the 1973 agrarian reform in which large numbers of mestizo landowners and merchants moved out of Guamote, leading to a relative increase in the Indigenous and rural population (Carrasco 1997, 21-24). Guamote's municipal government, with 52 staff and a budget of about \$1 million a year is also one of Ecuador's most successful experiments in participatory democracy.

Until 1980, power relations in Guamote were dominated by local *hacendados*, who operated with support from local priests and the municipal government in a triangle of power known as *gamonalismo* (Sylva 1985). 1980 marked the completion of the land reform process and the first entry of an indigenous candidate into the local electoral contest. In 1984, 1 Indigenous councilor was elected; in 1988, 2 were elected; in 1992, 2 Indigenous councilors were elected alongside Mariano Curicama, a highly approachable and extremely competent Indigenous leader who was nominated by local Indigenous organizations to run for mayor. In 1996, Curicama was re-elected and 7 of the 8 municipal councilors are now Indigenous and campesino leaders.

Curicama had to overcome fierce resistance from local mestizos and had to threaten them with an indigenous boycott of their businesses before he could assume his role as mayor (Stanton 1998). However, as a result of Curicama's diplomatic skills, local Indigenous leaders argue, inter-ethnic relations have since improved significantly.

Since his election in 1992, Curicama has gone to great lengths to make himself accessible and accountable to the canton's entire population. He makes a point of being in his office every Thursday, market day, so that rural residents can see him when they come to Guamote's weekly market in the *cabecera*. He also spends at least 3 days a week visiting the 114 communities in the canton - an example of what Tendler refers to as "management by wandering" (1997: 64-65). Curicama has also insisted that the municipality's books be open to the public and that financial statements be published in local newspapers. Both the indigenous and mestizo leaders interviewed in Guamote universally agreed that municipal politics are also now free of corruption and clientelism, although clientelist pressures continue from the bottom-up.

The municipality has significantly increased its attention to rural parts of the canton, many of which were almost unknown to the municipal government before 1992. It has been able to do this in part by increasing the proportion of the budget allocated to investment in relation to administrative costs and by insisting that 50% of the cost of all municipal works be borne by the communities benefitting from them. The community contribution is generally in labor, and is essential, according to Curicama, for combating the legacy of dependency left by paternalistic state agencies and NGOs (Interview, 17/06/99).

One of the most important initiatives of the municipal government was the creation of the 'Indigenous and Popular Parliament' in 1997. The Parliament is, according to Curicama and other local indigenous leaders, the highest instance of representation in the canton, and Curicama

asserts that the municipal government has the *moral* although not yet the *legal* obligation to implement the resolutions of the Parliament, including budget decisions.

The Parliament itself is composed of the elected Presidents of the *cabildos* of each of the 114 communities in Guamote. These 114 representatives have met on average every two months for 1 to 2 day sessions to propose and evaluate municipal policies, including budgets, and to hold councilors and the mayor accountable for their work. The extent to which the 114 members of the Parliament actually *represent* their respective communities has yet to be investigated. Various members of the Parliament argued that the Presidents of the *cabildos* are in constant communication with other members of their communities and that weekly *mingas* - community work projects, meetings, and church services in Evangelical communities, ensure that community members have ample opportunity to express their concerns and interests to their representatives in the Parliament. At the same time however, only 1 of the 114 representatives currently in the Parliament is a woman and women's participation in community meetings generally consists of their 'presence' but not 'voice' (Interview 8/10/99). The *Development Plan* also identifies authoritarian leadership styles as a problem confronting many communities (1999, 28).

Another of the key roles of the Parliament is to coordinate and regulate the work of NGOs in Guamote.<sup>25</sup> Two of the principal criticisms leveled against NGO interventions in Guamote's *Development Plan* are the lack of coordination between them and the paternalistic culture they have promoted by executing projects with little involvement or commitment expected of intended beneficiaries (1999, 28, 41). The Parliament attacked these two problems by requiring all NGOs interested in working in the canton to coordinate their efforts through that institution and by requiring that communities provide at least 50% of the resources - in materials or labor - for any development project (Curicama, Interview, 17/06/99).

The other key initiative of the municipal government thus far is the 'Local Development Committee', created in 1997 with a \$280,000 grant from the Interamerican Foundation. Its purpose is to help start businesses to create employment and revenue for reinvestment in rural communities as well as to respond to some of the serious ecological threats facing the canton, such as soil erosion and deforestation. So far the Committee has taken on six projects: a reforestation initiative, a trout hatchery, a composting facility, a grain processing center, a training / meeting center, and a traditional music group. None of these projects is yet self-financing or independently managed, although the composting facility and trout hatchery are nearing that status. The long term objective of the Committee is to establish a series of autonomous, self-financing and inter-connected enterprises that would reinforce one another and create both forward and backward linkages with other sectors of the canton.<sup>26</sup> Despite the relative success of

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<sup>25</sup>Since the early 1980s, Guamote has had one of the highest concentrations of NGOs in Ecuador (Bretón 1999, 7). In 1999, there were 43 NGOs working in Guamote (*Plan de Desarrollo Local* 1999, 9).

<sup>26</sup>For example, the composting facility collects biological waste from the weekly market to produce humus which is then sold as fertilizer *only* to residents of the canton in an effort to

these 'micro-projects', the Development Committee suffers from a lack of technical expertise, financial resources and the difficulties of reaching consensus among the 12 different organizations involved (Interviews with Committee members, 06/99 - 12/99).

The Municipality, Parliament, and Development Committee recently completed a year long process of elaborating a 'Local Development Plan' based on 29 two and three day workshops in rural communities throughout the canton and funded by a \$49,000 grant from the NGO Comunidec and the state-funded PRODEPINE.

Beyond the specific accomplishments of Guamote's municipal government, it is a much more general change that most stands out. While the municipal government once represented the local interests of the canton's elite groups and was not only closed to but indeed openly hostile to the local Indigenous population, it is now open, accessible and welcoming to local Indigenous peasants, who are seen by the municipality and are encouraged to see themselves as local 'citizens'.

### **Cotacachi:**

The canton of Cotacachi is located in the northern highland province of Imbaburra. Its population of 33,000 is approximately 50% indigenous and over 80% rural. The poverty rate is 88.4% and indigence is 38.6%. Cotacachi is geographically divided into a highland region where 60% of the total population and almost all of the indigenous population live, and a sub-tropical region, Intag, that has been colonized by mestizo and afro-ecuadorian settlers since the early 1970s and is now home to 40% of the local population.

In contrast to Guamote, agrarian reform laws had almost no impact on land distribution in the sierra zone of Cotacachi:<sup>27</sup> farms over 50 ha and *haciendas*, which represent only 18.6% of agricultural units, occupy 90% of all land (CAAP 1991, 49). Seven *haciendas* have become highly modernized and now produce flowers and vegetables for export. However, as a 1991 CAAP study observed, these agricultural enterprises are only minimally articulated with local development processes (85). The average size of landholdings under 10 ha is 0.42 ha, not enough to support a family (Martínez 1987, 4), thus forcing 90% of indigenous and campesino families into patterns of temporary labor migration (CAAP 1991, 74). Land tenure in Intag is more equal, with landholdings under 10 ha, which represent 58% of agricultural units occupying 77% of all agricultural land and properties over 50 ha occupying only 6.4% of land (CAAP 1991, 81).

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improve local soil quality. The reforestation project is promoting tree planting to slow soil erosion, but is also pursuing means to process rather than export the lumber produced in Guamote as a means of creating employment. The municipality recently commissioned the production of tables from the reforestation project.

<sup>27</sup>3.49% of agricultural units over 100 hectares (ha) were affected by agrarian reform in Cotacachi, while 54.37% of similarly sized units were broken up in Guamote (Zamosc 1995, 82-83).

Perhaps surprisingly given this context, the municipality of Cotacachi, with a budget of about \$1 million in 1999 and 70 employees, is another leader of participatory administration in Ecuador.

Cotacachi's experience with participatory local government began in August 1996 with the election of an Indigenous leader, Auki Tituaña, as mayor. His election victory followed the election of indigenous leaders chosen and supported by the local Second Grade Organization (OSG in the Spanish acronym), UNORCAC (Union de Organizaciones Campesinas de Cotacachi), in every municipal election since 1980 (Interview 30/08/99). Support from UNORCAC, which mobilized Indigenous voters from the 43 highland communities, was essential for Tituaña's election. Tituaña, an economist by training with a degree from the University of Havana, began his administration by calling for a Municipal Assembly in September 1996 to bring together all the organized social sectors of the canton to identify priority sectors and problems for municipal action.

The Municipal Assembly has since become Cotacachi's principal mechanism for participatory decision-making. Held every September since 1996, they have grown in terms of the total number of participants - from under 200 in 1996 to almost 500 in 1999, in the number of social sectors represented, and in the 'quality' of the participation itself. At the first Assembly in 1996 there were almost no representatives from Cotacachi's mostly mestizo urban sector and the municipal government was almost completely dependent on NGO assistance for the organization of the event. By the fourth Assembly in 1999, the urban sector was well-represented through a Federation of Barrios and barrio level organizations - formed through municipal efforts, while municipal employees had taken over almost all of the organizational logistics of the Assembly. In terms of the *quality* of participation, the mayor and other local observers assert that in 1996 people came to the Assembly primarily to ask for public works for their communities, but that by the fourth Assembly in 1999 they were coming prepared to debate issues related to the canton's development and were beginning to see themselves as 'citizens' of the canton and as subjects rather than objects of local development efforts (Interviews August - December 1999).

The relationship between the Assembly and the Municipal Council remains somewhat ambiguous. According to Mayor Tituaña, the Council is morally obliged to act in accordance with the proposals and resolutions of the Assembly, which do not yet deliberate over the municipal budget. However, the Assembly still has no legal standing and remains dependent on the will of the Mayor. There have been efforts since 1997 to institutionalize the Assembly through a municipal ordinance that would formalize its relationship with the Council; however, certain councilors, who fear losing political power to the Assembly have resisted these attempts. Local observers believe it is unlikely that the Assembly's status will be formalized before the upcoming municipal elections scheduled for May 21, 2000.

It is possible, as supporters of the process fear, that if Tituaña is not re-elected in May 2000, Cotacachi's participatory experiment will come to an end. Part of the vulnerability of the Assembly and other participatory institutions in Cotacachi is due to the absence of strong social pressure for these mechanisms. Although there is widespread acceptance of and even support for

the process, even the leaders of the two local Second Grade Organizations concede that there is probably not enough appreciation for the Assemblies among their memberships to demand that they continue under future mayors (Interviews 27/08/99, 17/09/99).

In addition to introducing participatory mechanisms into the municipal administration, Tituaña has also actively promoted the formation of other participatory 'citizen' organizations in the canton, such as the above-mentioned Federation of Barrios in the urban sector and a Second Grade Organization - the 'Intag Zone Development Committee'<sup>28</sup> in the western lowland region of the canton. Efforts to promote local organization and leadership capacities are also evident in the municipality's incorporation of youth into its administration - from the formation of a local youth Journalism Club that works with the Municipal Radio Station, to encouraging youth to organize canton-level basketball tournaments<sup>29</sup> and the creation of workshops in the annual Assemblies for youth and children to discuss possible solutions to the problems they see facing the canton.

Following resolutions of the annual Assemblies, the municipality has also created a series of permanent Intersectoral Committees that draw together representatives from a wide cross-section of Cotacachi's social sectors to pursue solutions to the particular problems facing the canton in the areas of health, education, tourism and the environment. The Intersectoral Health Committee is the most active of these groups and recently co-authored a major study on the state of health in the canton (CEPAR 1998). Tituaña's hope is that the municipality will decentralize increasing amounts of responsibility to these committees (Interview 02/09/99), a sharp contrast to the majority of municipal governments which remain highly centralized in their administrative practices.

Perhaps ironically, much of the legitimacy and respect that Tituaña has won from residents of Cotacachi - especially the urban mestizos - has not resulted from the opening of participatory spaces or the promotion of local organization and leadership development. Rather, it has been the mayor's record in completing public works projects - electrification, street lighting, sewage, potable water, road improvements, sports fields - that has earned him much of his local support.<sup>30</sup> When asked for their opinion of the mayor in interviews, local residents very frequently responded "he is very good", and then in the same breath "he has completed many public works." And so, while Tituaña's vision of the role of the municipality is new, public expectations of the local government are not.

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<sup>28</sup>*El Comité de Desarrollo Zonal de Intag*, which recently changed its name and organizational structure to *el Consejo de Juntas Parroquiales de Intag*.

<sup>29</sup>See: Municipio de Cotacachi, *Memorias de la Segunda Asamblea de Unidad Cantonal de Cotacachi*, 1997; "Por mandato de la Asamblea Cantonal: incentivan practica deportiva" *La Hora*, 19 October 1997.

<sup>30</sup>See for example the newspaper article: "Econ. Auki Tituaña calificado como el alcalde de las obras" *La Verdad* 13 September 1998.

Public works have been crucial to the legitimation of both the participatory process and Tituaña's own presence as an Indigenous leader in the office of mayor. Other Indigenous mayors too, such as Antonio Llumitasig in Saquisilí, have found it necessary to devote large amounts of time and resources to urban works in order to gain acceptance from mestizo residents, and in some cases have done more for the urban development their cantons than previous mestizo mayors (Larrea and Larrea 1999).

The ability to complete such public works projects with the municipality's approximately \$1 million budget (in 1999) is in part due to efficient administrative practices and the use of community labor in public works projects. However, it is primarily a result of the very significant financial and technical support that the Municipality has received from NGOs and donor agencies<sup>31</sup> - funding that is neither sustainable in the long-run nor broadly replicable at the national scale.<sup>32</sup>

Tituaña has also made significant progress in 'modernizing' municipal administration in Cotacachi. Indeed, he asserted in an interview (02/09/99) that the most important quality for a mayor to possess is 'technical administrative competence.' Even Tituaña's political opponents agree that there is no corruption in the municipal government and that the mayor has broken the old clientelist networks that were once the norm in local politics in the canton. Tituaña also led a reorganization of the municipal administration's internal organization, introduced modern accounting procedures into the finance department and computers into municipal offices, and promoted a group of energetic and committed young professionals to management positions in the local government. An important part of 'modernizing' the municipality has also been the development of a 'vision' for the role of Cotacachi's local government.

The interventions of the municipal government before 1996 were characterized by small, unplanned public works in the *cabecera*, executed without public consultation and generally by friends and or relatives of the mayor and councilors (Interviews 09/99 - 12/99). In contrast, Tituaña has placed heavy emphasis on the importance of participatory and technical planning, first through the creation of Cotacachi's *Local Development Plan* (1997) - a product of the second Municipal Assembly - and then by contracting technical feasibility studies for public works projects prioritized by local communities. Tituaña has also expanded the role of the municipality

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<sup>31</sup>For example, a group of 4 NGOs recently pledged \$780,000 for a water and sewage project in cooperation with the municipality for rural communities in the canton (IV Asamblea de Unidad Cantonal, 15/09/99). There are currently 17 NGOs working with the municipality.

<sup>32</sup>Most NGO funding is for 4 to 5 years and, as the director of one of the leading NGOs working in Cotacachi revealed, is tied directly to Tituaña's tenure as mayor (Interview 20/07/99). The high levels of NGO support in Cotacachi are clearly not feasible at the national scale and indeed, the directors of several prominent NGOs interested in working with municipal governments acknowledge that there are many municipalities with which they could not work because of problems of corruption and authoritarian leadership styles (Interviews 20/07/99; 06/10/99; 02/09/99)

beyond the canton's urban center to include previously neglected rural areas. In contrast to the vast majority of Ecuador's municipalities, Cotacachi shifted the proportion of municipal spending dedicated to rural areas to 47% of the annual budget by 1999 (Asamblea de Unidad Cantonal, 15/09/99).<sup>33</sup>

At the Third Zonal Assembly in Intag, Tituaña presented his vision for Cotacachi "to become a 'model' canton characterized by the informed, active and democratic participation of its different organized social sectors, a political culture of planning and self-help, the reaffirmation of local identities, and an 'open' municipality." (26/11/99). Indeed, one of the changes introduced by Tituaña that is most recognized by the local indigenous and campesino population is that the municipality has become open to them and their concerns.

Somewhat paradoxically, the election of an Indigenous mayor has created new challenges for UNORCAC, the Second Grade Organization that represents the 43 mostly Indigenous communities in the sierra region of Cotacachi. Although he is Indigenous, Mayor Tituaña is not a UNORCAC leader. By increasing the municipality's role in the development of rural communities, and trying to forge stronger ties between the municipality and the rural communities, UNORCAC leaders feel that Tituaña is threatening their representative hold over their membership and thereby weakening the organization (Interviews 27/08/99; 30/08/99; 30/09/99). To a certain extent these concerns may be valid; however, they also reveal a hierarchical and rather authoritarian tendency among UNORCAC leaders who want to exclusively represent the canton's Indigenous population in what often amount to corporatist interactions with other institutions such as the municipality, NGOs and state agencies and they resent the municipality's incursion into their traditional sphere of influence.

Tensions between the mayor and UNORCAC leaders have been aggravated by their different political orientations. Mayor Tituaña is a member of CONAIE (Confederación de Nacionalidades Indígenas del Ecuador), the most powerful Indigenous organization in Ecuador and has a strong ethnic or cultural orientation. UNORCAC is affiliated with FENOCIN, (Federación Nacional de Organizaciones Campesinas, Indígenas y Negras), also a national level Indigenous organization, but with links to the Socialist Party and oriented more towards class and agrarian issues.<sup>34</sup> UNORCAC leaders have held important positions in the FENOCIN leadership and fear that Mayor Tituaña will try to win political support from CONAIE in the rural communities of the canton.

Such divisions within local Indigenous and campesino movements are common in Ecuador and in many cases have prevented otherwise well-organized and capable groups from capturing local power - perhaps most notably in the canton of Otavalo, well-known for its artisan production. In Cotacachi, the efforts of an Indigenous mayor to strengthen links between the

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<sup>33</sup>In many municipalities, even those with predominantly rural populations, rural spending accounts for only 20% to 30% of total spending.

<sup>34</sup>See Zamosc 1994 for a brief history of the Indigenous movement in Ecuador.

municipality and Indigenous communities may actually be weakening the local Indigenous Organization and threatening its future capacity to influence local politics.

### **Bolivar:**

Judged on the basis of statistics, the canton of Bolivar, in Ecuador's northernmost province of Carchi, would appear to be a likely candidate for the successful incorporation of participatory mechanisms into municipal administration. Although poverty is high (79%),<sup>35</sup> land is relatively equitably distributed and there are few large extensions of land;<sup>36</sup> the population is small (15,152 in 1990) and relatively homogeneous - primarily small-scale mestizo farmers with seven small Afro-Ecuadorian farming communities in the lowland area of the Chota valley;<sup>37</sup> and organizational density is statistically high (Zamosc 1995, 88-89).

Indeed, local residents as well as NGO circles in Quito were excited and optimistic when the canton elected the young and enthusiastic ex-guerrilla, Fabián Ramírez as mayor in 1992 on a campaign platform that emphasized popular participation, capacity building, gender equity and municipal modernization and accountability. Hope for the future of local politics surged again in 1995 when the municipal government organized the first Municipal Assembly in Ecuador - providing transportation for over 300 residents from the canton's 56 communities for three days of workshops to elaborate a development plan for the canton.<sup>38</sup> The municipality has also actively promoted *mingas* - community volunteer labor for local public works projects - as a means of extending its capacity to complete public works such as road improvements and irrigation canals, especially in rural areas.

Images of Bolivar's municipal administration in the national press and NGO circles continue to be positive and the mayor continues to receive praise for his apparent efforts at promoting participatory mechanisms in the municipality and for promoting local capacity building. For example, the director of a Quito-based NGO working on local government issues, although not in Bolivar, described that municipality as the "foremost" in the country among mestizo-populated cantons for its promotion of citizen participation (Interview, 09/06/99). Another NGO,

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<sup>35</sup>The mortality rate for children under 2 is 20 per thousand live births and male and female illiteracy rates are 8.4% and 13.4% respectively.

<sup>36</sup>Even in 1973, landholdings of under 20 ha, which represented 97% of agricultural units, controlled 44.1% of the canton's land. There was only one hacienda over 500 ha - which controlled 1500 ha (INEC 1973). There are now only a few large extensions of land in the canton of 200 to 500 ha (Interviews 12/99).

<sup>37</sup>Agriculture is the principal economic activity of 80% of the canton's population, which is over 75% rural (Zamosc 1995, 84; Donoso 1999, 65).

<sup>38</sup>The *Plan de Desarrollo Integral del Canton Bolivar* was not published until 1997 because of financial problems.

CARE International identified Bolivar as one of the only municipalities it could work with on health and production issues because of the positive attitude of the mayor (Interview, 13/07/99).

The perceptions of the residents of Bolivar of their mayor and municipal government, however, are now very different from those outside the canton.<sup>39</sup> Ramírez's supporters praise his work to promote a curriculum reform in the canton's schools, to improve access to primary health care, and to promote agricultural production during a two-year partnership program with CARE International. However, they also concede that the Mayor has completed few public works, especially in the urban center of the canton, and that the municipality's *Development Plan*, the 1995 Canton-wide Assembly and the training courses organized by the municipality have had no visible impact on local development.

Moreover, since 1992, those who support Ramírez's administration have become a minority. Many of those who supported his fresh ideas about participation in 1992 have since become frustrated and angry about the lack of municipal public works, especially in the *cabecera*. As the head of a locally-based development organization stated sarcastically, "We have had studies, pre-studies, participatory diagnoses and post-diagnoses, plans and pre-plans, but there are no public works" (Interview, 06/09/99). Opponents of the Mayor argue that the process of organizing the Municipal Assembly in 1995 and producing the *Local Development Plan* in 1997 were a waste of precious local resources which they will not repeat. Municipal councilors have in fact refused to support moves by the Mayor to organize a second Assembly. Opponents also criticize training courses offered by the municipality for being irrelevant and insufficient in number for the needs of local small-scale producers, and argue that the Mayor has spent more money on training and travel to conferences for municipal employees than for the canton's population.

Criticisms of the mayor also go beyond poor administration to nepotism and corruption. Opponents argue that the small margin by which Ramírez was re-elected as mayor in 1996 was achieved only through the purchase of votes with pigs in one of the canton's parishes. They also argue that Ramírez has become wealthy far too quickly for anyone earning only a mayor's salary (approximately \$5000 per year).

Leaders in the canton's Afro-Ecuadorian communities assert that municipal employees are racist and treat them poorly when they have municipal business, and find that the mayor is always "at a meeting or training course" when they try to see him. They now discourage residents of their communities from participating in *mingas* organized by the municipality because of their lack of faith in the mayor.

Opposition to Ramírez's leadership reached a peak in September 1996, shortly after his re-election, when he was arrested on corruption charges. The Mayor was held in prison for 44

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<sup>39</sup>The following observations are based on interviews conducted between September and December 1999 with 25 local politicians, authority figures and community leaders as well as other informal conversations with local residents, including both supporters and opponents of the mayor.

days, although the Superior Court of the Province of Carchi found insufficient evidence to try him. His accusers asserted that Ramírez had used municipal tractors to plow his own fields and then paid a mechanic to turn back the time-meter on the tractors to avoid paying for their use.<sup>40</sup> However, the personal political ambitions of certain municipal councilors also appear to have played an important role in the scandal. It is not likely a coincidence that Ramírez's primary opponent, the vice-mayor as well as the Provincial Controller who ordered his arrest and the Provincial Deputy who ensured that he remained in prison for so long are all members of the Roldosist Party of Ecuador (*Partido Roldosista Ecuatoriana - PRE*), the party with the strongest tradition of clientelism and reputation for corruption in the country and that of former president Bucaram, ousted from power in 1997.

Whether or not the accusations of corruption leveled against the Mayor were true,<sup>41</sup> the scandal seriously discredited both his image and that of the municipality as an institution, as well as seriously dividing the local population. The municipality's efforts to promote gender equity largely collapsed after the mayor and his wife, who had spearheaded those efforts, divorced and she left the canton. Most residents now seem to have few expectations of their mayor or municipal government and widely characterize the efforts to promote participatory planning in their canton as a failure.

## **II MAKING SENSE OF PARTICIPATORY MUNICIPAL ADMINISTRATION**

The success or failure of a particular rural municipal government in developing participatory administrative practices affects a relatively small number of people. The more important developmental question is whether conditions exist or might be created that would allow successful experiences to be replicated on a broad scale. This final section of the paper seeks to identify the key structural and conjunctural factors that have either favored or worked against possibilities for democratizing municipal politics in Guamote, Cotacachi and Bolívar.

The relationship between land distribution, corresponding power relations and municipal politics in Ecuador is somewhat paradoxical. In Guamote, land reform was a crucial pre-cursor to the emergence of participatory democracy. First, because it broke the power of the landowning elite that had controlled local politics until the reform process of the 1970s. And second, because the struggle to actually see the 1973 reform laws enforced had a galvanizing impact on local campesino organizations and identities - central factors for the subsequent emergence of the participatory process in the municipality.

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<sup>40</sup>For a more detailed description of the scandal see articles in *El Comercio* (September 25, 1999) and *La Hora* (October 2, 23 and 31, 1996).

<sup>41</sup>Although the Provincial Superior Court found insufficient evidence to try Ramírez, the investigative capacity of Ecuador's judicial institutions is also notoriously weak (see United States Department of State 2000).

However, the land reform process and subsequent demographic changes in Guamote also had paradoxical implications for the future of economic development in the canton. The departure of large and middle landowners along with large numbers of merchants from Guamote not only opened a political opportunity for local indigenous organizations to take control of the local government, but also left a void of local resources for investing in the canton. Because land reform was not accompanied by other state policies to make peasant agriculture profitable - irrigation, roads, effective extension, credit and marketing services, etc. - the canton's population continues to live in extreme poverty. There are no resources in the canton that might be used to create local employment or demand for the growth of local service industries.<sup>42</sup> Thus, while land redistribution was a necessary pre-condition for the organic emergence of a participatory municipal administration in Guamote, it also left a resource void that may stand in the way of future economic development.

In Cotacachi, a participatory municipal administration took root without a previous process of agrarian reform. Large haciendas still control the canton's best land and some of them produce for the global market. Significantly, these large landowners have not resisted or made any notable attempts to frustrate the changes in Cotacachi's municipal government. Nor, however, have they been willing to participate in the process or be taxed or regulated in any way by the municipality. They have tolerated the process because they feel powerful enough to operate beyond its reach. The large landowners do not produce for the local market, in many cases do not live in the canton, and are generally not interested in local politics. Their outlook is instead oriented towards national and global markets and politics. So far, Cotacachi's municipal government has been unable to involve these powerful actors in the participatory process or even to reach basic agreements with them over issues such as water and pesticide use, which are becoming increasingly important for other residents. There are few signs that this stalemate will be overcome in the near future. Thus while land-based power relations in Cotacachi have not stood in the way of participatory processes, they have placed clear limits on the jurisdiction of the municipal government and continue to freely operate beyond its control.

In Bolivar, attempts to establish a participatory process failed despite a relatively even distribution of land. Clearly, while equitable control of assets and land may be necessary for local democracy, it is not in itself a sufficient condition. Other factors, in particular strong local popular sector organizations that hold local authorities accountable are equally important and acutely absent in Bolivar. Although statistics indicate a high level of organizational density in Bolivar (Zamosc 1995, 88), those numbers are not paralleled in qualitative terms by active participation in or effective action by local organizations. Rather, there is an organizational and leadership void in the canton. The local priest asserted in an interview that he even had difficulty finding people to take on leadership roles within his church (03/12/99). In this context, not only have aspiring local caciques found it easy to establish political clientels which they then manipulated in opposition

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<sup>42</sup>In 1990, only 1.27% of Guamote's economically active population were engaged in industrial and artisan activities in 1990, and only 11.83% were engaged in non-farm activities for their main source of income (Zamosc 1995, 85).

against the ‘participatory’ initiatives of the mayor, but also there has been little pressure on the mayor to create opportunities for participation. Rather, local residents continue to pursue individual clientelist links with municipal politicians in quests for small public works.

Strong local organizations have been central to the successes of the participatory processes in Guamote and Cotacachi. In both cantons, the election of mayors representing Indigenous and campesino residents was only possible through the support of local Second Grade Organizations (OSGs). First, because the organizations were able to mobilize rural voter support for the Indigenous candidates. Second, the election of Indigenous mayors in Guamote and Cotacachi followed eight and sixteen years respectively of work by Indigenous councilors who had been nominated by and elected with the support of local OSGs. Their work helped to legitimate the presence of the subsequently elected Indigenous mayors, who would not likely have been elected without such a precedent.

The presence of strong OSGs in Guamote and Cotacachi has also been very important for the production of new Indigenous and campesino leaders who might become councilors, mayors or community leaders. In both cantons, leadership in OSGs has been the key path to municipal political power. With the exception of Auki Tituaña, all the Indigenous and campesino politicians elected in the two cantons held leadership positions in local OSGs before entering municipal politics. OSGs in the two cantons have also helped to create a local culture of participation in meetings and collective decision-making at the community level that has been crucial for the development of participatory processes at the larger level of the canton. Finally, it is important to emphasize that the formation of OSGs in the late 1970s and early 1980s, although certainly part of the growth of a broader Indigenous movement and a result of groundwork by NGOs, priests and other external actors, was in many ways a response to incentives to organization created by the Ecuadorian state (see IEE and FEPP 1985, 233-235; Bretón 1997, 93).<sup>43</sup>

Politically and technically talented mayors with political visions of participatory democracy have also been key and in many cases the most important actors behind the creation of participatory institutions at the municipal level. This tendency toward ‘*alcalde-centrismo*’ is highly problematic because although the political will of a mayor is clearly necessary for the success of any effort to introduce participatory processes into municipal administration, it is insufficient to guarantee the consolidation of those processes in the long term. Mayors are easily displaced in local elections and their replacements may not support participatory processes. In Cotacachi, supporters of Mayor Tituaña fear that if he is not re-elected in May 2000, the participatory process will die. In Bolivar, the leadership of Mayor Ramírez in a context of weak organizations and opposition from clientelist politicians prevented popular processes from taking off. The centrality of mayors in these processes has also led many observers to identify the

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<sup>43</sup>As the IEE and FEPP argued in 1985, “The dynamic of these organizations [OSGs] can be connected to the period of Agrarian Reform when IERAC, the Ministry of Agriculture and the Misión Andina played an important role promoting organization as a means of obtaining land and water” (1985, 234).

leadership strategies of mayors as the key factor behind the success of participatory initiatives and has distracted attention from other factors, such as patterns of land and asset distribution and local organizational strength, which are more important to the long-term development of local participatory democracy.<sup>44</sup>

In addition to pressure from local organizations and political leadership from mayors, technical and financial support from NGOs and donor agencies has been crucial to the success of municipal governments in Ecuador in creating participatory mechanisms. In both Cotacachi and Guamote, NGO funding to the municipalities has grown to a level equal to the municipal budgets in those cantons. As I argued above, such high levels of financial support are neither sustainable in the long run nor replicable on a broad scale. In a survey conducted with the Association of Ecuadorian Municipalities (AME), we found that the vast majority of municipalities had no support from any NGOs and that most NGO-municipal agreements were for very small infrastructure projects and small projects like tractor repairs.<sup>45</sup>

In small municipalities the organization of assemblies and parliaments, the elaboration of local development plans and the completion of public works projects to help legitimate participatory processes all require substantial financial resources and often logistical support that have not been forthcoming from the state. If participatory processes are to develop, *even in cantons where popular sector organizations and local politicians support them*, funding from the state for these processes will have to be made available. The current fiscal crisis of the state in Ecuador and economic crisis of the country as a whole make this prospect unlikely in the near future.

The two ‘successful’ cases of participatory municipal administration presented in this paper along with other municipalities that have promoted participatory and consultative processes represent instances of *political* development. However, even with substantial support from NGOs and donor agencies, none of these municipalities has yet made any notable progress in promoting *economic* development. To be sure, four years in Cotacachi and eight years in Guamote is too short a time period to expect major economic improvements to become visible. However, if the participatory processes being implemented in these cantons are to retain their value in the eyes of local residents they will need to produce tangible results in the medium term at least. As Carroll observed in the context of NGOs, early success in satisfying at least a few basic needs is critical for establishing the trust necessary to generate participation in local organizations and projects (1992, 86). There is still a big step from the creation of a few fledgling micro-development projects, as in Guamote, or increased attention to rural infrastructure as in Cotacachi, to real

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<sup>44</sup>Similarly, Tandler asserts that “outstanding leadership” is not a helpful explanation of good government (1997, 18).

<sup>45</sup>51 of 214 municipalities responded to the 1999 survey on NGO-municipal cooperation. 35 of those municipalities had no support from any NGOs. In the remaining 16 municipalities, NGO support was concentrated in 7 municipalities, including Guamote, Cotacachi and Bolivar.

processes of local economic development that lead to improvements in people's capacities and standards of living.

Indeed, whether local economic development is even possible under current conditions in Guamote, Cotacachi and many other small rural cantons is highly questionable. The dominant macro-economic policy framework has frozen possibilities for land redistribution and the market is expected to provide opportunities for local economic development without any significant intervention from the state. Even in the few cantons with substantial external assistance, NGOs recognize that they know little about how to make local development actually happen.<sup>46</sup> Moreover, in Guamote, Cotacachi and other cantons with Indigenous and campesino mayors, municipal governments have found that they have neither the power nor the technical knowledge to regulate even local agricultural markets so that they might be of greater benefit, that is less exploitative to local producers and consumers.<sup>47</sup>

The principal model for local development that Guamote, Cotacachi, Bolivar and other rural cantons aim at emulating is the experience of the parish of Salinas in the canton of Guaranda in the central sierra province of Bolivar.<sup>48</sup> However, as I argued elsewhere with Liisa North (*forthcoming*), the experience of Salinas not only took over 25 years to evolve but also developed under local and macro-economic conditions that no longer exist in Ecuador, making the case unreplicable in contemporary contexts.

It is perhaps no coincidence that participatory processes have emerged and Indigenous and campesino and Indigenous mayors have been elected in precisely some of the poorest, most marginal cantons in Ecuador. To the extent that powerful economic actors are present in those cantons, such as the flower growers in Cotacachi or agricultural traders in market towns such as Guamote and Saquisilí, municipal governments have found themselves powerless to tax or regulate them. Although the production of 'Local Development Plans', often through participatory or consultative processes, has become a widespread trend in Ecuador, the majority of these plans are at best cursory analyses of local problems that conclude in a local 'wish list' of development projects. No plan yet produced presents a real viable strategy for development.<sup>49</sup> Thus far in Ecuador, poverty and economic marginality have been pre-conditions for Indigenous

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<sup>46</sup>Interviews with the directors of three large Ecuadorian NGOs that work with municipal governments (20/07/99; 02/09/99; 05/10/99).

<sup>47</sup>See for example Guamote's local development plan which identifies exploitation of local residents by agricultural merchants as a key problem facing local producers (1999, 47-48).

<sup>48</sup>For accounts of the Salinas experience see Bebbington et al (1992, 29-62) and North (1999b).

<sup>49</sup>See for example the local development plans of Guamote (1999), Cotacachi (1997), Bolivar (1997), Saquisilí (1999), any of the numerous plans produced in coordination with the Association of Ecuadorian Municipalities (AME). 'Local Development Plans' have also become a widespread trend but with similar problems in other countries such as Bolivia.

and campesino organizations to take control of municipal power in rural cantons. The election of popular sector mayors and introduction of participatory processes into cantons with more dynamic and diverse economies, that is to say shifts in power relations in important economic spaces is not yet on the political horizon in Ecuador.

Acting only at the local level, it is unlikely that rural municipalities and the NGOs and aid donors supporting them could forge the conditions necessary to promote significant changes in local development processes. As I argued above, successful local development requires a supportive macro-context, which is currently not present in Ecuador. However, Indigenous and campesino organizations in Ecuador are not acting only at the local level. Rather, the last decade has witnessed the emergence of a powerful Indigenous movement in the country, which has brought internal and external trade in Ecuador to a standstill for days and even weeks at a time through nationwide *levantamientos* or uprisings on a now annual basis (Almeida et al. 1993). The Indigenous movement, particularly through its largest organization, CONAIE, and the political party Pachakutik, established in 1996, is developing increasing influence over the policy formation process in Ecuador.

However, the growing influence of the Indigenous movement at the national level has so far done little to improve the macro-policy context within which municipalities led by Indigenous and campesino mayors are operating. Indeed, there is a major disjuncture between the concrete experiences of municipalities such as Guamote and Cotacachi and the political orientation and practice of the Indigenous movement at the national level. As Juan Pablo Muñoz, a researcher with one of the NGOs most actively supporting participatory municipalities, argues, CONAIE and Pachakutik have done little to support or help coordinate municipalities with Indigenous and campesino mayors and participatory administrative processes despite references to the importance of local power in their rhetoric (1999, 48). Moreover, a senior Indigenous advisor to Nina Pacari, Ecuador's second vice-president and member of Pachakutik, rejects political strategies aimed at capturing municipal power, arguing that municipal governments are too compromised by their dependency on the state to be of real use to the Indigenous movement (Interview 08/06/99). So far, the experiences of Guamote, Cotacachi and other municipalities like Saquisilí, Suscal and Chordeleg remain relatively isolated from one another and have not been incorporated into the agenda of the Indigenous movement at the national level, which is much more focused on a project of re-constructing Indigenous nationalities and identities.

A somewhat similar disjuncture exists between the successes that the municipalities of Guamote and Cotacachi have had in promoting the formation of *local* citizens and the possibilities for expanding those *local* citizenships to the broader national scale. Although these cases do suggest that small municipal governments can play an important role in developing a sense of *local* citizenship among residents, the value of that citizenship in a national context that remains hierarchical, racist, exclusive and based on social relations of superiority-inferiority needs to be seriously questioned.

**Concluding remarks:**

A comparison of the experiences of Guamote, Cotacachi and Bolivar suggests that opportunities can be created to increase the influence of local-level campesino and Indigenous organizations in municipal decision-making. The conditions required for those opportunities to open on a broad scale, however, are not present in Ecuador. Agrarian reform, or at least credit enabling small agricultural producers to purchase land and to invest in productive enterprises along with appropriate support services to those producers, state support to local organizations, and a nurturing macro-policy framework that would include encouragement to labor intensive, small-scale production are possible policy alternatives that would increase the chances of realizing the theoretical 'democratizing' benefits of decentralization in Ecuador and would help municipal governments to play the role of agents of local development. Unfortunately, in the current conjuncture, such policy directions are unlikely to be forthcoming.

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