



*Participatory Local Development  
and Planning Workshop*

From Authoritarianism to  
National Dialogue in Bolívia

Twenty Years of Reform

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World Bank Institute

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Jordan Valley Marriott Resort and Spa



# Democratization of City Government

- 1985 = First municipal elections in 40 years
- First democratic mayor, and the last authoritarian
- Discretionary budgeting: Centralized and vertical (top-down)
- The “curse” of the dictator: limited unknown resources, huge accumulated demands/social debt



# Decentralization: Popular Participatory Law 1994

- 315 urban-rural municipalities.
- 20% National Income for municipalities (about \$ 1.500 M)
- Mayor National Income Redistribution
- Proporcional to population.
- Daily automatic deposits through the banking system: Not discretionary.
- Participatory budgeting: Decentralized and horizontal. Empowerment.

# Better Governance\*

- “Shift of the weight of the proof”. Share the burden. Governance=Compliance: “Govern themselves”
- Construction of a common vision, and of the “future”: Poor live the day
- Priorities set by the community: Construction of comunal solidarity
- Sense of community, and shared city
- Us vs. Them: Ownership of local government.
- Distribution of city’s budget by districts: \$ 1 Million for each!





# Good Governance, defined\*

- Is the ability of citizens to govern themselves; by their willingness to ascribe and *comply* with their laws and regulations. Therefore, they are governed by principle, and out of respect for established institutions and norms. (not by authority)



# Diálogo Nacional 2000: Debt Relief - HIPC

\$1.500 millions in 10 years

- Diálogo Municipal: 1.260 mayors, councilmen, indigenous, and women (315 x 4)
- Distribution of resources: Necessidades Básicas Insatisfechas - NBI Base: Censo 2001
- System of social control
- Doubling of the municipal funding from Popular Participation: More for the poorer, and the Indigenous: ERP/PRSP