



Decentralization, democracy and sub-national governance: comparative reflections for policy-making in Brazil, Mexico and the US

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Abstract. This paper reports on a major study undertaken between 2000–2008 to assess the effect of decentralization and changes in democratic practice upon sub-national policymaking. The analysis uses several reference points: intra-governmental relations at the sub-national level as well as intergovernmental relations and the changing nature of civil society. Developed by a network of scholars, the paper outlines a comparative research strategy that was adopted in order to analyze the tensions created by decentralization and the recasting of federalism in three countries – Brazil, Mexico, and the USA. In addition to examining the vertical relations of political devolution up and down the administrative hierarchy, we also examine the horizontal opening of the political space between the various branches of governments by including the separation of powers and the exercise of checks and balances and monitoring. The paper concludes with reflections about the future of federalism and sub-national policymaking, and asks: whither federalism?

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1 Introduction: the significance of the sub-national level of government

Why study governance and sub-national governments? After many years of being ignored, or at least relegated to the shadows of academic research, sub-national governments have become a prominent topic in academic and policy analysis. The deepening of democratic practice and decentralization in the Americas over the past two decades, together with emerging plurality of parties in government at the state and local levels, has encouraged many researchers to redirect

their attention from the national polity and policy arenas to that of the sub-national (i.e., state and local) level. From different disciplinary perspectives and in a range of national contexts over a number of years, the authors came together with the objective of adding both depth and breadth to previous contributions through the methods of comparative debate and analysis. In so doing, we seek to introduce a number of innovations that we have found helpful in examining the complexity of the sub-national arena.¹ Specifically this paper will describe the principal governance and public policy issues and research questions that we sought to address within a major comparative research project, and will offer an overview of some the principal conclusions drawn and which are elaborated in full elsewhere (Wilson et al. 2008). Our aim is to offer readers not only a sense of the key policy and governance changes that are underway, but also to demonstrate that a multi and inter-disciplinary research strategy, especially when undertaken in a comparative perspective – itself a challenging task – can provide important public policy insights that go significantly beyond a simple ‘sum-of-the-parts’. Our research focus is upon the efficacy of sub-national policy-making in the context of decentralization and changes in democratic practice.

We argue that this research is innovative in a number of ways. First, it concentrates on the issues of ‘doing’ government and formulating public policy at the sub-national level; that is, on the midrange perspective of a polity in action. As we observed above, it is only relatively recently that this level has attracted attention, at least in middle developing countries where the focus, all too often, has been on national level politics and policy-making. Second, we focus upon three of the hemisphere’s federal countries – Brazil, Mexico and the US – which are bounded by the commonality of a fairly similar constitutional structure even though their federal arrangements operate in very different ways. The restriction of the scope of our analysis to the federalist framework was a conscious one, setting limits to our conclusions but also allowing us to look more closely at this institutional innovation, and thereby recognizing the different demands of the national and of the local, and featuring challenges that were well set out by Woodrow Wilson in his classical paper ([1887] 1941):

Our duty is, to supply the best possible life to a *federal* organization, to systems within systems; to make town, city, county, state, and federal governments live with a like strength and an equally assured healthfulness, keeping each unquestionably its own master and yet making all interdependent and co-operative, combining independence with mutual helpfulness. The task is great and important enough, to attract the best minds’ (p. 505).

Indeed, as an approach to the design of institutional governance, federalism is growing in importance. As Linz and Stepan (1996), point out, federalist-type models can be found among those countries in southern Europe that emerged from dictatorships; those in Latin America that threw over ‘bureaucratic authoritarian regimes’; and those of the post-communist former Soviet Union. Even though the actual number of federal governments around the world is relatively small (twenty-five), they represent a significant proportion of the world’s population (40 percent), and three of the largest ones formed part this study.

¹ The concept of this research effort was first discussed in early 2000 and sought to examine federalism and sub-national policy-making comparatively across the three countries using a multidisciplinary approach linking three university institutions: the University of Texas at Austin (the Lyndon B. Johnson School of Public Affairs and the Teresa Lozano Long Institute of Latin American Studies); the Center of Public Administration and Government at the Getulio Vargas Foundation (FGVSP) in São Paulo; and the Centro de Investigación y Docencia Económicas (CIDE) in Mexico City. The team comprised eight senior researchers with training in political science, public administration, geography, social psychology, urban planning, and public policy with a working ‘cluster’ for each country. The teams were Larry Graham, Victoria Rodríguez, Peter Ward, and Robert Wilson in the US; Marta Farah, Pedro Jacobi, and Peter Spink in Brazil; and Rodríguez, Ward, and Allison Rowland in Mexico (with Tonatiuh Guillén López [now President of the Colegio de la Frontera Norte, COLEF, in Tijuana] and Enrique Cabrero Mendoza [now Director of the Center for Economic Research and Teaching CIDE, in the Federal District of Mexico] also being involved in the earlier phases of the project).

A third innovation is that unlike so many decentralization studies we include the US in our comparative analysis, but not as some sort of benchmark with which to measure other polities. Many political scientists are critical of US exceptionalism and of the view that the US federalist model is the one to follow, or that it offers a baseline from which to assess governmental institutional practice elsewhere. We share that scepticism, and hope that in rigorously treating the US as a comparative case we may achieve greater analytical purchase upon what is happening in all three case study countries. Moreover, we expect that our analysis of federalist practices in recently democratizing sub-national governments such as Brazil and Mexico will shed light on some of the tensions and practices of federalism in the contemporary US. Succinctly put, what can we learn from Mexico and Brazil about governance in the US?

Fourth, while consciously restricting our possible conclusions initially to federal systems, within our approach of analysing sub-national politics and the institutions in the policy-making environment, we have sought to bring into a single theoretical framework both the 'vertical' and 'horizontal' dimensions of decentralization that may have wider implications for both unitary and federal governmental systems. Our strategy was to examine political devolution up and down the administrative hierarchy (central to regional to local intergovernmental relations), as well as laterally – by which we mean the opening of the political space between the various branches of governments. Analysing this (latter) dimension of decentralization is also quite innovative, and entails not only the separation of powers and the exercise of checks and balances and monitoring, but also the collaborative challenge of different government levels and branches of government having to work together, addressing political and ideological tensions and pursuing different policy agendas. In short, our focus is on the business of doing government – what we refer to as the practice of 'co-governance'.

Finally, our research is innovative in that it also considers the relationship between sub-national governments in so far as we are also interested in the extent to which they collaborate or compete with one another. Thus, we are able to offer an additional perspective to those that more usually focus almost exclusively upon vertical relations and bargaining between the national and sub-national governments. Our approach, therefore, is to look at the multiple arrangements that actually bear upon intergovernmental relations between and across the various levels.

The core question that we have sought to address in our comparative research is: How has the efficacy of sub-national policy been affected by decentralization and changes in democratic practice? By *efficacy* we mean effectiveness, appropriateness, and efficiency, namely, the ability of sub-national governments to produce positive effects through the design, adoption and implementation of public policies that respond to the broad demands of the moral commonwealth and are in the public interest. We reintroduce the idea of a moral commonwealth to re-invoke the belief that governments are there to serve the people for the common good and that in a democracy society determines what constitutes the common good. To address this overarching issue, we seek to examine the principal factors driving these different changes and analyse their impacts. Ultimately, this has allowed us to make an assessment about theory relating to governance and policy-making at least within the federalist arena, if not beyond.

A number of sub-questions were also identified. First, from a historical perspective we ask: How have the tensions between central and local authorities been addressed in Brazil, Mexico and the US during the past two hundred-odd years of their independence, and what does this legacy mean for the present? Second, what is the impact of decentralization and changes in democratic practice in shaping and recasting inter-governmental relations, both vertically (between the different levels) and horizontally (between governments at the same level)? Also at the horizontal level, our work explores the impact of decentralization and broadening of democratic practice on the exercise of the separation of powers and on the relations between the executive, legislative, and judicial branches of government at all levels in each country – what we will call intra-governmental relations. Third, given that questions of civil society and of civic

responsibility are being increasingly incorporated in discussions of the broader moral commonwealth and of processes of governance, we ask: Is civil society a leader or a laggard in decentralization? And, given the processes of decentralization and democratic opening, is sub-national civil society consolidating?

2 The comparative methodology and selection of cases

The countries we chose to examine in depth have presidentialist systems with a constitutionally mandated separation of powers and with some design for checks and balances to operate between the branches (executive, legislative and judicial). To determine the efficacy of sub-national governments, we believe that changes in the powers and actions of all branches in the sub-national context and, most importantly, new patterns of co-governance are crucial developments. Whereas legislative and executive interactions are a priority, the role of the judiciary deserves examination as well. On this particular point, the contrast of the civil code tradition of Mexico and Brazil with the common-law tradition of the US provides insights into the culture of sub-national policy-making. Also important in co-governance are changes in civil society and their subsequent impacts on citizen participation in sub-national policy-making.

A comparative study such as ours offers a perspective that is both theoretically oriented and empirically based. While the countries we are analysing are vastly different in a number of respects – society, culture, economy, and demography – we expect this combined approach to provide a better understanding of how sub-national governments function within a federalist structure. Returning to the question of choice of cases for this study, the three countries have federalist and presidentialist governmental systems. They are the largest in the hemisphere in terms of population (see Table 1). They share a common history of decolonization into a regionally fragmented political structure. And although Canada shares several characteristics with the three, including that of a federalist structure and large geographic expanse, its population size and urban system are sufficiently different to suggest that the challenges to sub-national governance are likely to be dissimilar in important respects. The other two countries with federalist systems, Argentina and Venezuela, are variants in important respects, lacking a separation of powers at the sub-national level. In the end, the choice of cases also reflected the belief that the three countries chosen have a great deal to learn from each other.²

As one would expect, given the significant differences in the size and productivity of the economies in the three countries, the levels of development and corresponding socio-economic indicators vary substantially, with Brazil and Mexico trailing the US significantly (see Table 1). Brazil's income inequality is among the highest in the world, while that of the US is among the highest of high-income countries. The three countries have high levels of urbanization, with second-tier cities in each country demonstrating relatively high growth rates. Despite the maturing of the urban system in each country, there are vast geographic differences within each country in terms of population levels and the urban system. Each of the countries has very significant expanses of low population density. The public sector, as measured by public spending, is much larger in the US than in the other two countries, as one would expect. Although public spending as a share of gross domestic product is greatest in the US, it does not vary substantially across the three countries. But on a per capita basis, public spending in the US is substantially higher than in Mexico and Brazil (Table 1).

² In a forthcoming work on metropolitan governance we analyze all six federalist countries in the Americas (Spink et al. 2010).

Table 1. Demographic, social and economic indicators in Brazil, Mexico, and the US**A. Geographic and population characteristics**

	Size (sq km)	Population (millions), 2004 ¹	Pop. growth (% per Year), 1985–2000 ²	Number of municipalities:	
				Over 500k	Under 20k
Brazil	8,511,965 ³	178.7	1.5	30 (0.5%)	4,019 (73%)
Mexico	1,972,550 ⁴	103.8	1.8	27 (1.1%)	1,607 (66%)
USA	9,631,418 ⁵	293.5	0.9	29 (0.15%) ⁶	18,382 (94%) ⁷

B. Socioeconomic characteristics

	GNI/capita, 2004 ⁸	Below \$1/day (\$ PPP), 1998 ⁹	Gini index (in %), 2003 ¹⁰	Infant mortality, 2000
Brazil	8,020	10	60.7	35 ¹¹
Mexico	9,590	8	51.9	25 ¹²
USA	39,710	n.a.	40.8	6.9 ¹³

C. Public sector

	Governments		General government final consumption expenditures as % of GDP (2004)
	State	Local	
Brazil	27*	5,500	14
Mexico	32*	2,443	12
USA	50	87,525 ¹⁴	15

Notes: * Including Federal District.

¹ World Bank (2006d).

² UN Human Settlements Program (2001).

³ U.S. Central Intelligence Agency (2006a) Accessed in April 2006.

⁴ U.S. Central Intelligence Agency (2006b).

⁵ U.S. Central Intelligence Agency (2006c).

⁶ U.S. Bureau of the Census (2000, Table C-1).

⁷ U.S. Bureau of the Census (2002a).

⁸ GNI = gross national income. World Bank (2006d).

⁹ PPP = purchasing power parity. UN Statistics Division (2006).

¹⁰ The Gini Index measures the extent to which the distribution of income (or consumption) among individuals or households within a country deviates from a perfectly equal distribution. A value of 0 represents perfect equality (when all individuals have the same level of income), a value of 100 is reached when one individual or percentile of the population holds all the income – total inequality). UN Development Program (2003).

¹¹ World Bank (2006a).

¹² World Bank (2006b).

¹³ World Bank (2006c).

¹⁴ U.S. Bureau of the Census (2002b). The breakdown of 87,525: 3,039 counties; 19,429 municipalities; 16,504 towns and townships; and 48,558 school and special districts.

Each of the three countries has a distinctive brand of federalism. While the general institutional architecture is roughly similar – three levels of government (federal, state and local), with separation of powers and checks and balances among three branches (executive, legislative and judicial) – the practices of sub-national governments' politics and policy-making are quite distinctive and unique. The fragmented nature of local government in the US is shown by the very large number of government entities: over 85,000 local governments, including counties, cities, independent school districts, and special districts (Table 1). In contrast, Brazil and Mexico have a single type of local government, the municipality which in the case of Brazil is institutionally part of the federalist pact. Sub-national government expenditures in the US

constitute a much higher share of the nation's public final consumption expenditures than in the other two countries. Moreover, decentralization has also followed distinct paths in the reassignment of responsibilities and changes in institutional design: in the US the devolution revolution has meant the transfer of a series of responsibilities but also of newfound resources and powers. In Mexico the 'new federalism' has been laden with political implications, with state governments becoming the major beneficiaries and, in Brazil, new competencies have been assigned primarily to the municipalities.

3 The dynamics and pressure for political change

Among the various pressures for change in democratic practice and governance structure at the sub-national level, several overarching factors appear to be present in all three countries and have helped us to 'frame' our analysis. The first is economic liberalization and, particularly, the end of the Cold War, the rise of free trade, neoliberalism, and the emergence of new economic blocs such as the North American Free Trade Agreement (NAFTA) and Mercado Común del Sur (MERCOSUR). Neoliberal tendencies have argued in favour of a reduction in the size of the state, or a so-called 'rolling back' of government, and a concomitant rise in private or mixed public-private governmental relations. But, in a counter-reaction, globalization has also stimulated stronger local government units – such as cities – to push back and seek ways to build new patterns of international relations and collaboration, such as collaboration among different city leagues. A second, and closely related feature, is that of political liberalization – 1980s and 1990s democratization in the cases of Brazil and Mexico – has resulted in increasing alternation of parties in government, and thus to the juxtaposition of different parties at different levels in both the executive and legislative branches – a Latin American version of the French 'cohabitation'. A third force leading to decentralization and the recasting of federalist structures has been the apparent upsurge of communitarian principles and of municipalism that in different ways, and to varying degrees in all three countries, has created a common bottom-up pressure for change. The result has been a broadening of governmental experience, new patterns of governance at local and state levels with greater transparency and accountability, new patterns of political recruitment, new political rationales and orthodoxies, new development priorities, and new fiscal regimes – indeed, the emergence of a whole new type of competitiveness and linkage between party performance and electoral success. A fourth dynamic has been the coupling of the emergence of more effective sub-national governments and a growing international orthodoxy in favour of decentralization (Campbell 2003), which alongside an increased willingness on the part of chief executives at all levels (national, state and local) has led to a greater sharing of power and responsibilities across a number of policy areas. The result has been the revitalization of federalist pacts or greater awareness of their possibilities. In turn this has generated further changes in the sub-national arena and encouraged greater public participation. However, an important caveat to note here is that decentralization and the broadening of democratic practices are not necessarily seen to be linked in any causal way to each other; a point underscored by many others (see, for example, Gibson 2004; Samuels and Montero 2004).

Finally, a fifth defining element is the need for improved security both in the environmental arena as well as that of greater public safety involving the role of the state as protector of its citizens.³ Many of the judicial reforms that we observe in Mexico and Brazil especially,

³ Issues of energy and environmental sustainability, and public security and safety, although widely recognized national concerns are increasingly viewed as embedded in sub-national and local governance.

have been predicated in large part upon the need to respond to rising violence and crime, which, for a time at least, threatened to overwhelm the emergence of democratic governance at the national and sub-national level (Beato 1999; Portes and Hoffman 2003; Landman 2006). Thus the need to overhaul the criminal justice system has driven the process of reform and modernization of the judiciary in Mexico and is central to the 'War on Drugs'. Criminal justice reform is also an increasingly important consideration in Brazil. Since 11 September, 2001, security concerns have permeated the systems of governance at all levels in the US, but especially that of the federal level, leading to the creation of the Department of Homeland Security. In the US especially, national and international security to protect against terrorism has become a major force shaping both the institutional structures and the government process today.

4 The principal findings and conclusions

The overarching research question in our study explores whether the process of decentralization has led to greater efficacy in sub-national policy development and implementation. It is clear that the decentralization debate is affecting many countries, not only those with a federalist model. For example, the new institutional architecture of the confederation of nation states in the European Union is built around a bottom-up governance structure predicated upon the concept of subsidiarity: retaining as much governance and policy implementation as possible at the local and sub-regional levels and passing upwards only those functions that, perforce, can best be managed at that higher level. But change and the implementation of new dimensions of representation and participation also invoke tensions and create resistances that may negate decentralization and improved efficacy.

The first major finding emerging from our examination of the evolution of federalism in the three countries over two centuries underscores those tensions and dynamics, alerting us to the dangers of assuming that decentralization is a linear process or that there is a single dynamic or pattern of its implementation: the history of federal systems is far from linear, is certainly not evolutionary, and is rarely stable. Granted, there is greater institutionalization of federalism and sub-national governance in the US, and greater volatility and underlying weakness in the institutional structures of Brazil and Mexico, where democratic practices are still under consolidation. However, all three countries have tensions that create pressures and lead to what we describe as pendulum-like shifts between decentralization and centralization. Similarly, we find that among our three systems locally embedded control and exercise of governance are unique to the US, both by design and, more specifically, as an outcome of years of evolution and experience. In both Brazil and Mexico, local autonomy, although also prescribed in the federalist design, in effect remains largely incipient. Even today, in those two latter countries the federalist pact is still very much an idea that has emerged after rather than before the federation, whereas in the US it is more consolidated; but here, too, we find that the US is subject to pressures, change, and fine-tuning of its federalist practices.

Both Brazil and Mexico are actively engaged in consolidating their democratic structures by assigning greater institutional and functional weight to the branches and by seeking to ensure their modernization and greater technical capacity. However, we also find that the extent to which increased and more genuine participation of the legislature and judiciary translates into more effective policy-making remains mixed. In this regard, Mexico, in particular, seemed to be experiencing gridlock as it sought to develop experience in the legislative and executive branches working together – at least during the decade after 1997. In Brazil, although at face value the judiciary seems to be empowered, it remains in practice relatively weak. Here, the

positive factor of note is the subtle change taking place in the reinterpretation of the role of the public prosecutor (*ministério público*). Nevertheless, both Brazil and Mexico are actively opening up the political spaces of participation of these two branches relative to the traditional dominance of the executive, thereby moving the theory of federalist provisions closer to actual political practice. In the US, where the framers of the Constitution prescribed an effective space and functions between the three respective powers, ratified through a series of judicial decisions taken in following decades that would offer checks and balances over the executive, intra-governmental relations have worked reasonably effectively both in the federal government and in sub-national governments, although the latter vary markedly according to local constructions. Local government jurisdictions generally enjoy a relatively high degree of autonomy. Here, however, the downside is that power is often so divided, and government so heavily bureaucratized, that a huge industry of lobbyists is required to guide specific interests through the complexity of government.

Seen from afar, the dynamic of decentralization resembles a pendulum that may appear to have been swinging from centralized to decentralized government structures. But viewed closer up at the level of our three countries, we observe quite marked differences in the extent and pace of swing: and closer-up still – within each country – we can see many different pendulums swinging in different ways across different policy areas. Our ‘pendulum’ metaphor points to certain tensions created as different actors promote or resist the processes of decentralization and devolution. Such tensions are an inevitable part of this process and should not be viewed as negative or as peculiar to federal systems of government. All systems of governance are likely to demonstrate tensions and volatility, and these are an outcome of a number of overarching changes, as we point out above. Some pressures are unidirectional and derive from increasing globalization, but even here there is debate about whether they produce an overall convergence of political and socioeconomic outcomes across countries (Ritzer 2004) or, as we tend to view it, they have more regional and locally differentiated impacts as global processes intersect with local ones. Other pressures are bidirectional between levels and branches of governments. These can have both positive and negative impacts on policy-making depending in large part upon the ‘elasticity’ that governments demonstrate to accommodate change and adjust.

In both Brazil and Mexico, which have had highly centralized federalist systems until recently, decentralization has faced broader challenges than in the US. The centralized systems limited, if they did not diminish, the capacity of sub-national governments to participate effectively in the design of policy, although in both countries sub-national governments had a role in implementing federal initiatives. In contrast, sub-national governments in the US have generally been much better prepared for their new responsibilities and for the decline in federal resources available to them, in part because of the historical commitment to local control in the country’s governmental structure.

While all policy sectors do not lend themselves equally to decentralization, there seems little intrinsic reason why any one sector should be excluded (with the exception of foreign policy and national defence policy, perhaps). In the context of sectoral decentralization the concept of subsidiarity may be useful: the *de facto* decentralization of activities to the lowest level with exceptions only for those that by consensus may be better managed at the higher levels and should thus, be passed-up the hierarchy for management by supra-local governments. In the US, the historical preference for local control embraces the spirit of subsidiarity, but to date such an ordering has found little support in Latin America, and the direction from which decentralization has been imposed has been firmly down the governmental hierarchy instead of upwards.

Two examples suffice here to show both the top-down nature of decentralization, as well as positive impacts. In the 1990s gradual deterioration and privatization of the health care system

prompted Brazil's Ministry of Health to develop a family health programme that was based upon community-based medical services at the local level, built around health clinics and multi-professional teams. It aimed to show municipalities how it was possible to work with effective preventive and walk-in health care services, and that there was less need for expensive large scale hospital facilities which could more reasonably be shared by inter-municipal consortia. Largely as a result of the decentralized and community health care systems put in place, Brazil's infant mortality rate which in 1990 was 43.2 per thousand live births is well on its way to meet the millennium goal of a two thirds' reduction (14.4 per thousand live births) by 2012; well before the target year of 2015 (Ministerio da Saúde 2008; WHO 2008). A second example is that of the decentralization of public education in Mexico which totally reorganized and transferred responsibilities for public education from central government to the states and local governments. Enacted in 1992, the aim was to give greater normative control to state and local governments over the content of textbooks, study plans and education evaluation, as well as to ratchet up incentives and awards for teachers. Politically, too, it was designed to weaken the control exercised by the principal teachers union. It was the single most important central government initiative to demonstrate a new found commitment to a more genuine federalist system in which states and local governments would have greater sovereignty and autonomy over their affairs (Grindle 2004).

A second major finding – also pendulum-like in nature – is our observation that intergovernmental relations demonstrate pressures toward decentralization on the one hand and (re)centralization on the other. Decentralization/devolution is rarely a smooth or even process, and within a democracy it is unlikely to proceed unopposed. The nature and level of resistance and contestation were found to vary, depending upon the relative strength of the states, the extent and nature of democratic development, regional characteristics and levels of inequality, and the particular policy and sectoral arenas. Fiscal decentralization is most strongly resisted, while education and health are less strongly contested, once a national commitment and consensus to move in that direction has developed. Some policy sectors are easier and make more sense to decentralize than others. Identifying which sectors and determining how quickly to proceed may not be easy, but in all three countries we observe some efforts to recentralize (e.g., national security in the US, fiscal federalism in Brazil, and education in Mexico), if only to achieve improved efficiency and economies of scale.

At the same time, consensus around the need for federal leadership in some policy arenas does not necessarily imply subservience to federal policy directives. In a number of policy areas in our three countries, we have found that policy directives from higher level governments that might on paper appear highly restrictive, in practice offer many more options at the local level. Indeed, one of the skills of more entrepreneurial – in the broad development sense – local public sector leaders appears to be their ability to interpret and adapt such programmes to local requirements and opportunities (see also Grindle 2007).

Taken overall, federalism appears to work best when the institutional elements at all levels are strong and stable. Counter-intuitively, perhaps, we find that competition and vying for resources do not appear to be leading to a race-to-the-bottom as local governments seek to outbid each other; rather, there is a filling out of sub-national spaces that creates greater interdependence and co-responsibility between actors and institutions. Indeed, we find considerable vibrancy of governance at the local level, as well as new forms of collaboration between local and state governments in certain policy-making arenas. And while the state level of government plays important roles in exerting pressure on the federal government and diffusing innovations, states can also be obstructive, resisting local government initiatives and making problematic federal-to-local linkages. Federal roles have also changed markedly, and while they vary for different policy areas, generally we find that the federal government is becoming more engaged in regulation, and less engaged operationally in direct service delivery. We also find a

growing need to take a more active stance in relation to large population centres that are not currently accommodated by federal arrangements – such as metropolitan areas that often comprise a multitude of lower-level governments and whose overall government or governance still remains low priority for institutional and organizational change (Spink, Ward and Wilson 2010).

Third, we find that seeking to decentralize and to institutionalize new sub-national governance arrangements can also lead to a weakening and a greater fragility and vulnerability of local and regional governments, especially in Brazil and Mexico. In short, things may get worse before they get better and given that even the latter is not an assured outcome in the short term, the critics of decentralization are often reinforced in their opposition. Even though the constitutional structures are now in place, they are not always consolidated: the judiciaries vary in their relative strength and effectiveness; legislative bodies at the national and sub-national level, at least in Brazil and Mexico, are still trying to wrestle with the art of co-governance, the give-and-take of compromise and negotiation; and in both Brazil and Mexico the parties, their ideological underpinnings, and the ways partisanship translates into effective policy remain poorly understood and weakly articulated. All three countries share the problem of how to engage effectively with civil society or, more appropriately perhaps, how to allow for its sustained and effective presence within governance systems.

With the exception of the US, where civic participation is generally strong (but electoral participation weak), we find that outside the formally prescribed opportunities in both Mexico and Brazil civil society organizations are growing in presence but remain, in terms of the polity, generally rather weak. Both countries have compulsory voting in elections, so the relatively high rates of electoral participation must be treated with caution (indeed, the unwarned observer could easily fall into the trap of contrasting the U.S. pattern of high civic participation and low voting with the Brazilian and Mexican pattern of low civic participation and high voting). In Brazil and Mexico civil society is increasing and consolidating its discursive presence but the space formed by the very different associations and organizations that compose civil society is still by no means consensual and, on the contrary, is the focus of considerable dispute.

Finally, we note a number of highly practical downsides to decentralization, albeit that these are largely as a result of factors that reduce its potential. Decentralization takes time to achieve, and significant disparities in tax base and in natural resources can accentuate divergence. As diseconomies of scale emerge in some policy arenas, many regions and localities are unprepared for the new challenges, at least in the short term. Paradoxically, at a time when societies are seeking to democratize and to embrace broader bases of citizen participation, local oligarchs and bosses, far from being excluded from the sub-national stage forever, have newfound opportunities to sustain themselves in power. Broadening the reach of public policies does not always guarantee that the priorities of the poor will come first, and decentralizing resources is no automatic guarantee that they will be at the head of the line.

However, notwithstanding the downsides mentioned above, we are generally optimistic about the potential of decentralization, not because of any a priori theoretical preference, but largely because of the many different ways in which sub-national governments have used its discursive effect within the institutional elasticity of the broad federalist model in support of reshaping and improving their policy-making practices and capacities. Indeed, the effectiveness of decentralization of the public sector and the ability of governments to respond to the concerns of the moral commonwealth hinge, in large part, upon developing local government capacity. There is no doubt that, among other things, this will entail more equitable revenue-sharing programmes; greater legislative efficiency and effective intra and intergovernmental relations; the opening of new forms of engagement of civil society; the modernization and upgrading of the administrative and governmental apparatus; trust in the judicial apparatus

and the adoption of agreed-upon arbitration and rules of dispute resolution; and incentives for a career civil service to provide greater continuity in the capacity to implement policies once these have been created by politicians. Given that these do not change from one day to the next, each of these dimensions will continue to present significant challenges for sub-national governments and populations for years to come. However, they will also have to compete with other less positive challenges: threats of new health pandemics, narcotics, and terrorism. Increasingly, sub-national governments will be faced with determining how best to collaborate with higher orders of government, sister governments at similar levels, and with international organizations, in order to ensure that events do not overtake them. Our findings, therefore, further underscore the importance of bringing the local state 'back in', and we hope that the research strategy described here, taken together with our summary findings and conclusions, will stimulate further discussion and consideration of sub-national and local government and management systems in comparative perspective.

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Descentralización, democracia y gobernanza subnacional: reflexiones comparativas para la formulación de políticas en Brasil, México y los EE.UU.

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Resumen. Este artículo presenta un estudio importante realizado entre 2000-2008 para evaluar el efecto de la descentralización y los cambios en las prácticas democráticas en la formulación de políticas subnacionales. El análisis utiliza varios puntos de referencia: relaciones intragubernamentales a nivel subnacional así como relaciones intergubernamentales y la naturaleza cambiante de la sociedad civil. Elaborado por una red de académicos, el artículo resume una estrategia de investigación comparativa que fue adoptada para analizar las tensiones creadas por la descentralización y la reestructuración del federalismo en tres países – Brasil, México y los EE.UU. Además de examinar las relaciones verticales del traspaso de competencias políticas arriba y abajo en la jerarquía administrativa, examinamos también la apertura horizontal del espacio político entre las diferentes secciones de los gobiernos mediante la inclusión de la separación de poderes y la realización de comprobaciones, balances y monitoreo. El artículo concluye con reflexiones sobre el futuro del federalismo y la formulación de políticas subnacionales, y pregunta: ¿hacia dónde va el federalismo?

JEL classification: H11

Palabras clave: Descentralización, gobierno subnacional, federalismo, Brasil, México, EE.UU

要約 本論文は、地方分権化の効果および地方自治レベルの政策形成における民主主義的な方法の変化を評価するために2000年から2008年にかけて行われた大規模調査についての報告である。分析には、地方自治レベルでの行政内の関係、行政間関係、市民社会の変化など、基準点を用いている。ブラジル、メキシコ、米国の、地方分権化がもたらした緊張関係とフェデラリズムの修正を分析する目的で採用された、研究者ネットワークが開発した比較研究方法を概説する。行政の上階層および下階層への政治的権限移譲における縦の関係の分析に加え、権力の分割、チェックアンドバランスの遂行およびモニタリングなど、政府の様々な部門間における水平的な政治的空間の広がりについても調べる。本論文はフェデラリズムの将来と地方自治の政策形成についての検討を結論とする。そして、フェデラリズムの将来を問う。