Rural Indigenous Autonomy: A Case of Decentralization in Bolivia

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Abstract

Decentralization reforms aim at strengthening democracy, autonomy, and economic development through devolving political, administrative, and fiscal powers to subnational levels of government. Starting in the early 1990s, Bolivia adopted the most radical of decentralization policies in Latin America. Besides being the poorest nation in South America, Bolivia also has a large indigenous population that corresponds to a highly fragmented and unequal society. To understand if the decentralization efforts, specifically the LPP, 2009 constitution, and 2010 Autonomy and Decentralization law were effective, this paper looks at the quality versus the quantity of decentralization policies in Bolivia. This paper argues that (i) decentralization policy as a means to an end has been successful in Bolivia, however (ii) decentralization as a part of development and democracy process has been lacking when looking specifically at rural indigenous groups in Bolivia. In other words, this paper looks at the effect of decentralization laws have had on levels of democracy, autonomy, and economic development among rural indigenous groups. This paper concludes that the quantity of decentralization policies has been extensive but the quality or programming has been lacking, especially when examining the LPP. However, there is not enough evidence from the most recent policies to positively conclude this lack of quality of decentralization policies since 2009. If international donors and central governments are going to continue to implement decentralization policies, an analysis of the implementation, programming, or quality is important, especially when examining the poorest and most marginalized populations.
Introduction

Bolivia has had perhaps the most radical and extensive decentralization of all Latin American nations. The case of Bolivia is particular in not just their decentralization efforts but also in their political, social, and economic makeup. Bolivia has the lowest GDP per capita in South America and ranks 156th in the world, right above Guatemala and below Swaziland and Morocco. However, understanding the Bolivian indigenous population is necessary to explain the continually poor economic outlook in Bolivia as well as the political and social features in decentralization.

Bolivia contains over 30 different ethnic groups, which together speak over 36 languages, most of which are recognized in the 2009 constitution. The indigenous population in Bolivia constitutes over 60% of the population, with ethnic differences between urban and rural, highland and lowland indigenous groups. Bolivia is a highly fragmented society, with sharp distinctions along the formal/informal, rural/urban, and indigenous/non-indigenous divides. Historically, the economy has been divided into a formal sector dominated by mestizos and has been closely linked to global markets through the export of natural resources and inflow of international investments. In recent years, the Morales administration has also brought the urban indigenous sector further into the formal economy. However, the rural and informal sector, made up of indigenous populations, is reliant on a combination of subsistence agriculture, informal commerce,

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1 “GDP-Per Capita,” cia.gov, accessed April 20, 2014

and temporary labor.\textsuperscript{3} There is clear evidence that poverty and inequality in Bolivia is inextricably tied to indigeneity.

However, since the early 1990s, there has been a political shift to include indigenous populations in the political process. From marginalization and political exclusion to comprising legislative majorities and becoming heads of states, indigenous movements in Bolivia have come a long way since the small, community-based organizations they once were. Perhaps the largest success was the accent of the Movimiento al Socialismo (MAS) with their indigenous leader, Evo Morales in 2006. After the Law of Popular Participation in 1994, the Morales administration wrote a new constitution in 2009 and in 2010 adopted the Autonomy and Decentralization Law, both of which meant to include First Nation rights, autonomy, and address historic economic and social exclusion in Bolivia society. The Law of Popular Participation was the first

\textsuperscript{3} ibid

major attempt at decentralization in Bolivia that split up all of the national territory into 311 municipalities with direct fiscal transfers to ensure that each Bolivian citizen would enjoy municipal representation. The LPP also stipulates that no party gets an absolute majority of votes, the municipal council then picks the mayor from the top two candidates. In addition, to prevent corruption, the LPP enables a municipal council to recall its mayor.\(^5\) The piece of the legislation that directly affected the indigenous communities was the stipulation in the LPP that gave legal standing to traditional grassroots organizations and labeled them “territorial base organizations (OTBs).”\(^6\) The adoption of this Law was not only the first attempt at decentralization in Bolivia but was also the catalyst for other decentralization efforts and indigenous participation in mainstream politics.

Many scholars contribute the rise of the MAS and other indigenous political movements and leaders to the LPP and OTBs.\(^7\) When Evo Morales, the first indigenous president of Bolivia, won in 2006, he ran on the platform of granting autonomy to indigenous communities in Bolivia; echoing the language of the LPP that sought to extend autonomy through a more politically decentralized system. The 2009 national constitution declares Bolivia a unitary state but also a “plurinational” state with “autonomies.” In other words, the constitution explicitly recognized the multiple “nations” that live within the territory of Bolivia and, in vague terms, grants local self-government to different communities.\(^8\) This constitution builds off of and extends the

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\(^6\) ibid


\(^8\) Miguel Centellas, “Bolivia’s Radical Decentralization,” *Americas Quarterly*, Summer 2010
decentralization efforts of the 1990s by outlining a more comprehensive structure of subnational autonomies. It grants three types of governmental autonomy: regions, municipalities and indigenous communities. This part of the constitution is based off of the 2007 UN Declaration for the Rights of Indigenous Peoples.

The 2010 Autonomy and Decentralization Law is the practical, implementation side of the constitution. The Law outlines definitions and procedures for indigenous communities that wish to declare their autonomy. The Law defines indigenous autonomy as “self-governance through the free determination of indigenous peoples, First Nations, and campesinos who share a territory, culture, history, language, and legal, political, social and economic organization or institutions. It was the first constitution in South America to recognize indigenous autonomy and the presence of a “plurinational” state.

As shown, decentralization efforts have been extensive in Bolivia since the early 1990s and have largely attempted to include indigenous populations in this highly political process. International donors, like USAID and others, advocate for decentralization because of the belief that it “advances the exercise of political freedom and individual economic choice in a context of stability and the rule of law.” However, it is not only important to look at the policies enacted but what the underlying purpose of decentralization is. The primary goals of decentralization, according to USAID, are stability, democracy, and economic development. The characteristics of democratic

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9 Miguel Centellas, “Bolivia’s Radical Decentralization,” Americas Quarterly, Summer 2010
11 “Plurinational State of Bolivia, Constitución Política del Estado,” last modified 2013
decentralization are authority, autonomy, accountability, and capacity. Specifically, “under decentralization, governmental power is entrusted to administrative and governmental units that are close to the people served and more attentive to their demands.” In the Bolivian context this would translate into more autonomy for indigenous groups, increased democracy at a local level, and higher levels of economic development, even among indigenous groups that have largely been among the poorest in Bolivia. Does the Bolivian model of decentralization model the goals and desired outcomes outlined by international donors and the Bolivian central government? Have the efforts of decentralization in Bolivia translated into improved autonomy, economic development and democracy for indigenous groups?

**Question and Thesis**

Scholars have used many methods to measure decentralization efforts and their outcomes in Latin America, including both quantitative methods such as statistical regressions and also qualitative case studies and comparisons. However, this paper will use criteria and definitions from J. Tyler Dickovick’s working paper “Foreign aid and decentralization: Policies for autonomy and programming for responsiveness.” Dickovick’s analysis is particularly useful because it distinguishes between policies of decentralization and the responsiveness of the policy-based programming that should go hand-in-hand with the policies. He asserts: “due to its theorized ability to promote stability, more inclusive grassroots participation, and enhanced governmental efficiency, decentralization has been popular…even as it is widely acknowledged that

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decentralization is not a panacea. But what works in decentralization?"15 Dickovick explains that the difference between the quantity of decentralization, or the extent of reforms and the quality of the projects that are intended to improve the capacity and accountability of decentralized governance.16 If international organizations or donors are going to continue to support decentralization efforts in Bolivia and the rest of Latin America and if the Bolivia government is going to continue along the same decentralization path, an analysis of not just the quantity of decentralization but also the quality is useful.

Dickovich looks at a three-step process in decentralization; foreign aid that provides policy support and programmatic support that leads to decentralization, which is the quantity of decentralized powers and resources and the quality of decentralized power that leads to the end goals of increased human development, democracy and governance, and stability.17 However, this paper takes a more micro-political look at decentralization in Bolivia.

Instead of considering foreign aid from international donors as the implementers in the decentralization process, this paper looks at the policies and programmatic support of the Bolivian central government, which was supported by international donors. Consistent with Dickovick’s analysis, decentralization will be broken down into two categories: quantity and quality. The end goals will be combination of Dickovick’s criteria (human development and democracy and governance) and also USAID’s goals that add the importance of autonomy to this. This paper seeks to add to the discussion and

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16 ibid
evaluation of decentralization efforts in Bolivia by looking specifically at how the policies at the national level have affected the end goals for rural indigenous groups in Bolivia. In other words, whether the quality of decentralized governance has achieved the end goals of decentralization specifically for rural indigenous groups. This micro-political analysis is important because decentralization is meant to benefit previously marginalized groups by bringing autonomy, accountability, and development to the local level. Rural indigenous groups are those marginalized groups in Bolivia. The true quality of decentralized governance must include that population.

Figure 1

Based on Dickovick’s dual theory of decentralization, this paper argues that decentralization in Bolivia has been successful in giving autonomy to subnational governments through policies but a lack of responsiveness has made the decentralization process inadequate and further programming is needed. If the Bolivian central government is to continue to provide indigenous autonomy and deepen democracy, both of which are supported by the international donor community, they must focus on the quality of decentralized governance and programming. In other words, the policy of decentralization in Bolivia has been successful but the implementation specific to the

18 Author’s illustration, adapted from Dickovick pg. 3
needs of rural indigenous Bolivians needs to develop for decentralization to reach its end goals. This paper will outline how (i) decentralization policy as a means to an end has been successful in Bolivia however, (ii) decentralization as a part of development and democracy process has been lacking when looking specifically at rural indigenous groups. The policies evaluated will be the LPP, 2009 constitution, and most recent 2010 Autonomy and Decentralization Law. The outcomes or end goals evaluated are largely qualitative measures of indigenous development, improved democracy or governance, levels of indigenous autonomy.

**Quantity vs. Quality**

According to Dickovick, autonomy is set by policies, laws, or in the case of Bolivia, a constitution. This *quantity* part establishes autonomy in the political process of decentralization. This has been established in Bolivia. The LPP, as briefly outlined previously, brought radical decentralization policies to Bolivia, the first in Latin America to establish such laws. In terms of establishing autonomy, the LPP, established the principle of *coparticipación*, which allocated 20% of national state expenditure to local governments on a per capita basis. As a part of the OTBs (Grassroots Territorial Organizations), indigenous, peasant communities, and neighborhood organizations gained legal status as formal representatives of their OTB. Additionally, citizens directly elect their mayor and councilors, who are in charge of the day-to-day operations of the municipality.\(^{19}\) This is the political and fiscal side of decentralization. In terms of administrative decentralization, the LPP also outlined that each municipal government

must prepare a five-year Municipal Development Plan (PDM).\textsuperscript{20} This granted rural indigenous municipalities political, fiscal, and administrative autonomy through policy.

It has been argued that this LPP did directly improve the levels of democracy and development, especially among the indigenous communities. Van Cott argues that Bolivia’s constitutional reforms (which in 1994 included the LPP) facilitated the rise of the MAS by creating smaller single-member districts for elections. In other words, the rise of MAS can be attributed to municipal elections that allowed MAS to make progress at the local level and use it as stepping stone for national offices.\textsuperscript{21} Essentially, the policies of decentralization in Bolivia allowed local governments to be autonomous of national interests, which opened space up opposition parties, like MAS, to gain political power. Because of decentralization, indigenous groups have the space available to participate in grassroots organizations, mobilize for demonstrations, and make MAS party decisions.\textsuperscript{22} Santiago Anria argues that MAS originated out of a rural social movement that expanded to Bolivia’s largest cities and became a governing party less than a decade later. MAS is an example of an organization that operates in the rural and urban setting, “exhibiting a combination of autonomous mobilization from below.”\textsuperscript{23} Anria continues that the social mobilization and political organization that MAS has its roots in will extend further than just for support of MAS. Following this logic, the LPP, a policy directed towards providing autonomy, is not just a factor in \textit{quantity} but also \textit{quality}. Referencing Figure 1, the LPP policy, implemented by the Bolivian central

\begin{footnotesize}
\textsuperscript{20} ibid
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government led to decentralization in *quantity*. In addition, this policy achieved an end goal of increased democracy (manifested in the social organization and popular political parties’ formation), which implies the *quality* aspect in programming.

Nevertheless, the direct correlation between the policies of decentralization and the rise of MAS is not as direct as some scholars have argued. Madrid asserts that the relationship between decentralization policies and the success of MAS is unconvincing. He argues that the electoral performance of MAS in Cochabamba in 2002 (the first elections MAS won) could be attributed to the amount of resources, experience, or reputations won by the party’s mayors in the city. There is no evidence that the MAS performed better in the municipalities where it has elected mayors or council members, both of which were outlined by the LPP.24 If the *quality* argument of the LPP is to be made, then where the LPP was implemented and governors and council members were directly elected there should reflect a higher amount support for MAS.

However, between 1997 and 2002, the MAS increased its share of the total vote by a much “smaller margin in those municipalities where it had elected mayors than in those municipalities where it did not control the mayoralty – the MAS boosted its vote by thirteen percentage points in the former municipalities and nineteen percentage points in the latter.”25 The democratic success of MAS cannot be directly attributed to decentralization policies. This implies that the rise of MAS was not truly a product of rural and urban indigenous autonomy and decentralization policy. Then in fact, the LPP

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is decentralization in *quantity* but not *quality* that would translate into higher levels of autonomy.

Additionally, the other assumption with the rise of MAS and its connection to decentralization policies is that MAS is inherently a product of a democratic process and continues to be one. It is not the prerogative of this paper to prove how democratic the election of the Morales administration is or levels of electoral transparency. However, it is important to distinguish between the success of a social movement at one point in time and levels of sustained democracy. One of the desired outcomes, outlined previously by USAID in democratic decentralization is for increased capacity or sustainability. Even operating on the assumption that the LPP led to the rise of MAS, that does not mean that there are higher levels of democracy that would benefit rural indigenous groups.

In fact, Anria acknowledges that although MAS originated because of rural and urban indigenous popular mobilization, that does not necessarily mean that this kind of social mobilization and popular organization is replicable, or that the Morales administration would allow for such popular mobilization against them again. There have been popular uprisings against the Morales government has harshly suppressed. The National park and Indigenous Territory Isiboro Sécure (TIPNIS) organized and demonstrated against the central government’s intention to build a highway through their lands. This “crisis, which involved confrontations between indigenous communities and *cocaleros*, was the second massive popular uprising against the Morales government…this time the government handled the conflict with repression.”

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populism, different than those movements in Venezuela and Ecuador, which has benefited rural indigenous groups. However this does not speak to the sustainability of this democratic populism. If improved democracy had been an outcome of the LPP, then the capacity of indigenous groups to continue to fight for their rights and communities needs to be considered.

The quality gap appears not just in the lack of political rights of indigenous groups but also in the LPP’s effects on economic development. This is another outcome of decentralization that is outlined by both USAID and Dickovick. The policies operate on the assumption that decentralized governments are not only more efficient and less corrupt but also can promote economic development and democracy better than centralized ones.\textsuperscript{27} Decentralized administrative and fiscal programming is important to the quality of decentralization policies in Bolivia. Jean-Paul Faguet finds in his quantitative study, “Does decentralization increase government responsiveness to local needs? Evidence from Bolivia” that decentralization in Bolivia significantly changed public investment patterns to reflect local need in the sectors of education, water and sanitation, water management, agriculture, and urban development after the implementation of the LPP.\textsuperscript{28} In other words, decentralization policies allowed for changes in even the poorest of municipalities. The funds decentralized by the LPP allowed municipalities to invest public funds in high-priority projects that led to a higher investment in human capital and social services as the poorest regions of the country.


chose projects according to their greatest needs. However, this argument does not necessarily point to the quality of decentralization programming instead of quantity of policies.

First, Faguet makes no reference to rural indigenous communities in any other capacity than to say that many municipalities in rural areas were created by the LPP. He demonstrates that financing for urban development and the needs of urban communities increased. As previously stated, Bolivia is a highly stratified country with large differences between urban and rural communities. The map below demonstrates that the largest percentages of populations unsatisfied with basic needs (orange areas) are where there are high concentrations of indigenous populations. This demonstrates that although decentralization policies allocated funds and administrative responsibilities to local governments, indigenous populations in the western and eastern highlands were still largely unsatisfied with their basic needs and economic development. Faguet, in fact, is demonstrating exactly how quantity of decentralization efforts in Bolivia have been extensive but does not refer the quality or actual development of these efforts.

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In his preliminary assessment of the LPP, Benjamin Kohl further demonstrates the lack of development outcomes of the policy. He finds that in “some municipalities, with both strong grassroots organizations and nongovernmental organizations, a relatively democratic process of decentralization occurred although decentralization did not serve as an impetus for economic development.” Instead, the policy had the opposite effect in some municipalities, and further empowered local elite and strengthened clientelistic relationships and practices of corruption. One example is that Kohl found that 210 out of the 314 municipalities failed to turn in their financial reports, and many times the NGOs and organizations working on the local level, using the newly devolved funds, became the new patron of the community. This one example is not enough to make too many generalizations about the outcomes of the LPP but points to the need to look at the implementation of the programs and not just the potential of the policy.

Specifically for indigenous communities, Kohl finds that there were overlapping interests that resulted in conflicts among pre-Columbian form indigenous organizations with traditional social organizations and unions that function different than those in the rest of the country and urban development and the organizations that represented the sectors trying to move into that space. “Before the LPP, the separate organizations representing Guaraní and urban residents coexisted peacefully, but tensions grew as each

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group formed a GTO that asserted claims on revenue-sharing resources.”

Kohl comes to the conclusion that the LPP has yet to create transparent, efficient local governments.

Even though the LPP gave municipalities the capacity for investment of public funds to be invested in programming that was most needed in the community, this did not translate into actual economic development or democracy.

Although the LPP was the first major attempt towards decentralization in Bolivia, there have been more recent *quantity* efforts in the form of the 2009 constitution and subsequent implementation policies. However, these policies still exhibit a lack of *quality* or effective implementation of decentralization policies. Morales’ repression of indigenous uprising, mostly coming from rural indigenous groups, has demonstrated the difficulty implementing the decentralization policies outlined in his constitution that should directly benefit all 36 of Bolivia’s recognized native communities. Because the constitution was only instituted 5 years ago and the implementation policies even more recently, it is hard to accurately evaluate the *quality* of the decentralization efforts but some preliminary analysis is possible and continues to point to a lack of development and democracy outcomes for rural indigenous groups in Bolivia despite the continued *quantity* of decentralization policies by the Morales administration.

When Evo Morales took office as the first indigenous president of Bolivia, he asserted that “‘From 500 years of resistance we pass to another 500 years of power…We are here and we say that we have achieved power to end the injustice, the inequality and

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oppression that we have lived under.”37 Morales has been touted as the strongest supporter for indigenous resistance and autonomy in Latin America, but he did not originally get into politics for this. Instead, prior to his 2005 campaign, Morales was known as the leader of a coca-leaf growers’ union and as a socialist who opposed Western free-market policies and privatization of state-owned enterprises.38 He incorporated indigenous rights into his campaign when he started to run for political office. Since then, he has continued the decentralization efforts of previous administrations in an effort to also further indigenous autonomy. This is best shown in his 2009 constitution and 2010 Autonomy and Decentralization Law.

The most visible feature of the 2009 constitution is the enactment of departmental autonomy that has also been the biggest threat to the success of MAS and the Morales administration in the future. There are now eleven indigenous communities that are autonomous jurisdictions that operate similar to states in a federation. These jurisdictions take autonomy one step further than previous decentralization laws so that unlike municipalities, the structures in these autonomous jurisdictions are not defined the ventral state, departments and are free to draft their own statutes.39 This is what indigenous movements demanded and what the Morales administration promised when running in 2005.

However, the process of becoming an autonomous jurisdiction points to the continued restriction in the implementation of decentralization policies in Bolivia. Because Bolivia is the first country to adopt this kind of decentralization and autonomy

37 Qtd. in Bolivian Politics Backlash,” *The Economist*, August 25th, 2011: 1
framework after the UN Declaration in 2007 there is no model to build on and there are no other examples of what works in implementation and what does not. This makes the implementation difficult and because the constitution and Autonomy and Decentralization Law are so new, the quality of the law could still be demonstrated in the years to come.

The constitution defines indigenous autonomy as “self-governance through the free determination of indigenous peoples, First Nations, and campesinos who share a territory, culture, history, language, and legal, political, social, and economic organization or institutions.” In spite of the success of the constitutional acknowledgement of indigenous autonomy, this definition is problematic and could impede on the programming implementation in the long run. The definition does not clearly “address the intersection of multiple ethnic groups, lack of language homogeneity, or the definition of ancestral territories.” These aspects of the definition would be difficult for the constitution to clearly define, but the lack of clarity will also create problems when it comes to distinguishing different interpretations of autonomy and community and what the criteria and prerequisites are for communities seeking autonomy.

Additionally, the indigenous autonomies are based on land rights, which creates a whole new set of problems and has the potential to further limit access to implementing indigenous autonomies. The constitution defines rights to autonomy as pre-colonial and

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therefore pre-state existence. However, many indigenous municipalities in the highlands are not necessarily pre-colonial territories because of internal migration over a 500-year history. Second, although many low-land indigenous groups are state-recognized territories, these areas are fragmented among private landholdings and often share a designation as protected national parks – the land rights are not clearly defined, even if the indigenous governance in the low-lands is. Lastly, many indigenous people live in integrated urban areas, in which there is no option for asserting indigenous autonomy. Although this constitutional framework is groundbreaking and a clear example of the success of the quantity of decentralization and the establishment of a framework for autonomy but the continued barriers to implementation and the quality of decentralization efforts.

It is not only the language of the law that can impede laws from achieving outcomes in decentralization. One of the perquisites of an effective policy and implementation of programming is access to the information the reform that can lead to political participation. In the case of the Bolivian constitution and decentralization laws, regardless of the space it may provide for indigenous communities to achieve autonomy, if those same communities do not have access to the information to empower their local governance then the policies can never be truly implemented.

Victoria Reyes-García et al. demonstrated this lack of transfer of information in their study of Bolivian Amazonian indigenous groups in the rural lowlands. The

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42 “Plurinational State of Bolivia, Constitución Política del Estado,” last modified 2013,
purpose of the decentralization laws in Bolivia was to grant citizens and their representatives power in decision-making. However, Reyes-García et al found that without political awareness of rural indigenous groups, the democratization and decentralization process will be implemented. In other words, “if decentralization reforms aim to promote political participation but limited information hampers the participation of some citizens, then decentralization reforms would fail.” This study focuses on lowland rural indigenous groups because they have largely been let out of the national politics and are among the poorest in the world. Specifically, the authors look at the Tsimane’ and find that despite the many reforms having taken place for over ten years, the knowledge about decentralization reforms had only modestly reached the rural community. What has caused this lack of political awareness and knowledge transfer?

Reyes-García et al. find that since the rise of MAS and indigenous movements, there has been an increased awareness of political awareness among highland and urban indigenous groups but lowland indigenous groups have traditionally been excluded from that political participation. There was a larger presence of NGOs and representatives from the central government in the highland region than the lowland region and in many lowland communities investment in information dissemination was limited. In addition to this, many lowland indigenous communities, like the Tsimane’ have long-established forms of governance that is unique to their community that even ‘indigenous autonomy’ is perceived as a foreign concept for their communities.

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because it is dated but it does demonstrate the complexities of implementing a framework of autonomy upon a highly diverse population, like Bolivia’s.

Although the following measures do not measure subnational levels of development, democracy or freedom, they do indicate the lack of change throughout Bolivia. In 2004, Freedom House categorized Bolivia as partly-free with a low freedom and political rights rating of 3. In 2013, after the decentralization policies, success of MAS, and new constitution, Bolivia is still considered partly-free with a freedom and political rating of 3. At least at a national level, democracy and political rights have not changed since decentralization policies. Additionally, as USAID outlined, democratic decentralization should also increase accountability of governments. However, the Corruption Perception index from Transparency International finds that Bolivia has consistently been at a high level of corruption, or at least perceived corruption. With the index dating back to 2004, Bolivia has scored between 1.9-2.9, which is considered highly corrupt. Two crucial outcomes of decentralization; democracy and accountability have not been exhibited at a national level in Bolivia.

In terms of economic development, Bolivia has always been a highly unequal society with differences among indigenous and non-indigenous, rural and urban populations. However, the purpose of decentralization laws is to increase economic development that should start to close that inequality gap. In 2010, the most recent statistic, shows that Bolivia’s inequality, measured with the Gini Coefficient, is 53 – the

14th most unequal country in the world.50 Because rural indigenous groups have traditionally been the poorest, this lack equality indicates that they continue to be the poorest in Bolivia. Although these indicators are not at a subnational level, they do indicate a lack of progress in the areas of democracy, accountability, and inequality in economic development. These are the exact outcomes that international donors and advocates of decentralization promise with the implementation of decentralization policies.

Conclusion

In 1993, a report entitled Indigenous People and Poverty in Latin America, through a regional assessment in Latin America found that the living standards among indigenous peoples suffered far worse socioeconomic conditions and levels of political exclusion than the population of Latin American countries as a whole.51 That next year, the poorest country in Latin America, with the largest indigenous population passed the Ley de Participación Popular, the first of such laws that outlined extensive decentralization throughout Bolivia. This political and fiscal decentralization earned the country a reputation for “bold and innovative practice in the area of decentralization” that has been followed with the rise of a populist political party and the first indigenous president.52 If this radical decentralization occurred, has there also been a radical shift in the socioeconomic and political prospects of indigenous groups in Bolivia as well if the

51 Gillette Hall, Heather Marie Layton and Joseph Shapiro, “Indigenous Peoples, Poverty and Human Development in Latin America. World Bank: Executive Study (2005): 1
purse of democratic decentralization is to increase autonomy, capacity, and accountability?

This paper looked at the effect of the LPP, 2009 constitution, and 2010 Autonomy and Decentralization Law had on rural indigenous autonomy, economic development and democracy. J. Tyler Dickovick’s study distinguishes between the quantity of decentralization (policies and established decentralization framework) and the quality of decentralization projects that are intended to improve the capacity and accountability of decentralized governance and lead to economic development. Based on Dickovick’s dual theory of decentralization, this paper argues that decentralization in Bolivia has been successful in giving autonomy to subnational governments through policies but a lack of responsiveness has made the decentralization process inadequate and further programming is needed. Furthermore, decentralization policy as a means to an end has been successful in Bolivia however, decentralization as a part of development (for rural indigenous groups) has been lacking.

Through a qualitative analysis of the effects of the LPP on rural indigenous groups, this paper concludes that the decentralization policy was extensive and set up a framework for the outcomes of decentralization outcomes. However, the quality of the law is not strongly demonstrated. The rise of MAS and Evo Morales is not necessarily an outcome of decentralization and even if it was, rural indigenous groups have not benefited as much as other populations in Bolivia. Further popular demonstrations by rural indigenous groups have been suppressed by the Morales administration indicating that the political opening of Bolivia that allowed the MAS to succeed may not be

replicable. Additionally, the LPP outlined many stipulations meant to increase the administrative oversight of poor municipalities that Faguet demonstrates can lead to higher levels of investment in social programs. However, his study did not look at indigenous communities and many indigenous communities are still not satisfied with their economic development (see map). This implies that despite the framework set out by the LPP, the outcomes of democratic decentralization are lacking.

The LPP was not the only effort for decentralization in Bolivia. The Morales administration adopted a new constitution in 2009 that granted indigenous groups in Bolivia more rights than they have ever had before. Further decentralization policies were also a part of the constitution and outlined in the 2010 Autonomy and Decentralization Law. Because the constitution and law are so new, coming to convincing conclusions is difficult. However, from analyzing the language of the constitution and law, there are many potential barriers in the implementation of the decentralization efforts and formations of indigenous autonomies. There is no model or previous case to compare the case of Bolivia to so to truly understand the quality of the law and constitution, further research, down the road is needed.

However, this paper has demonstrated that decentralization policy as a means to an end has been successful in Bolivia. The original decentralization framework has been expanded and used to continue decentralization efforts. Bolivia is the model in Latin America in terms of the rights given to indigenous groups through these decentralization policies. Despite these efforts, the programming implementation has not been as successful for rural indigenous groups. Autonomy is still difficult to achieve, their popular movements have been surprised, indicating still lower levels of democracy, and
economic development is still lower than in other regions of Bolivia. If international donors and the Bolivian central government are going to continue to promote decentralization, a focus on program implementation or quality is crucial.

**Limitations and Further Research**

This paper does not produce original research on the topic of decentralization in Bolivia. Instead, this paper seeks to apply criteria for successful decentralization efforts to rural indigenous groups in Bolivia. The evidence can only point to the potential lack of policy implementation and outcomes based on previous studies, policy analyses, and quantitative measures. Additionally, as stated in the analysis above, the newest decentralization policies are relatively new and the full outcomes cannot be measured. Many of the original research on the LPP was done almost a decade after the original implementation. Therefore, to understand the full implications and quality of the 2009 constitution and 2010 Autonomy and Decentralization Law, original research cannot be conducted for another five years, at least.

Further research, however, looking specifically at the effect of decentralization on traditionally marginalized communities is important. Whether it is afro-Brazilians, afro-Colombians, rural Quechua, urban Aymara, or any other minority group in Latin America, decentralization is meant to positively impact every part of society. Analyses of the outcomes on these specific populations can speak to the greater success of decentralization efforts.
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