

Argentine Republic

(República Argentina)



Capital: Buenos Aires

Inhabitants: 36.260.130 (2007)

Area: 2.780.403 km²

1. Introduction



The Argentine Republic is a representative federal republic but with political and economic centralism around the capital and the metropolitan zone. Executive power is carried out directly by the President Elect for a period of four years, with the option of being reelected for an additional period of time. Parliament is bicameral and of the two legislative houses, the Chamber of Deputies is made up of 265 members and the Senate of 72. The electoral system is based on proportional representation.

The country is divided into 23 provinces and a federal district: each province has executive power –with its own governor, except in Buenos Aires, where the President holds legislative power – bicameral or one legislative house- and is directly elected by the people and a judiciary body.

The origins of the municipalities can be traced back to the Spanish colonization (XV1 – XIX). Article 5° of the 1853 Constitution ruled that each province set

up its own municipal system, while Article 123° of the 1994 constitutional amendment, includes within it the principles of municipal autonomy.

Each province defines its own system of local government, with some following a single municipal structure while others may have a municipality that operates on several levels. (See table 1).

The decentralization of power was made away from the national state and in favor of the provinces. At the same time, civil pressure has prompted local governments to take on an increasing amount of different functions, even though they are not actually legally bound to assume them.

The political situation during the second half of the XX century was unstable. Since 1983, a succession of democratic governments, faced with the challenges of foreign debt and inflation, have had a significant impact on the country's political system. The country's most recent crisis in 2001 led to a default on international debt repayments and saw five successive presidents take power within a fortnight. Since then its economic recovery, with growth pegged at over 9% annually, alongside a strengthening political system, has been surprising.



2. Territorial Organisation

The rights of local governments in Argentina are set out in specific sections of the provincial constitutions, and regulated by the *Law of Municipalities*. These outline the institutional framework and the global functions of local governments. In the bigger provinces, an organic law can be applied, which sets out the powers of the municipality, the characteristics of that authority and its control over legal matters, using its own tribunal, whilst establishing regulations for the initiatives of citizen participation and in some provinces, the electoral system.

Argentina has a total of 2,252 local governments, of which 1,151 have a municipal hierarchy and 1,101 do not (see table 1). A recent phenomenon has seen the creation of new local governments by creating subdivisions of existing ones, or simply creating new ones, in areas that until now have not been part of any local jurisdiction.

Some 80% of local government seats in Argentina have less than 10,000 inhabitants and 38% less than one thousand, which reveals a significant disparity between municipalities. Only 1.2% of all municipalities have over 250,000 inhabitants and only two have over one million.

In summary, there are big cities where the majority of the country's population live and then a large number of small local governments.

Public spending at a local level –USD 3,517 million in 2005– is 8.4% of total state spending, which has remained stable over the last five years, totaling 2.4% of GDP. Public spending per inhabitant is USD 1,152, while local spending per inhabitant is only USD 97.

Since 1995, the capital of Argentina has had its own political system in place: even though its institutional structure is similar

to the provinces, a law passed by the National Congress has restricted its powers of jurisdiction and removed charge of the police force, urban transport and control of public services.

Not one of the country's metropolitan zones has its own specific statute outside of the constitution, other than the two authorities that deal with the treatment and disposal of solid urban waste and the recovery of contaminated river basins.

There is also increasing evidence of different municipal authorities working together on certain issues. A recent study pointed to the existence of 72 entities that were made up of 770 different local governments, concerned primarily with the economic development of the tourist industry and environmental preservation.

Figure 1: territorial organization in Argentina



Fuente: INDEC. Censos Nacional de Población, Hogares y Viviendas 2001.

Source: INDEC National population, homes and housing consensus 2001



Local governments (*)							Human development t (**)	Population by locality (***)	
Local Governments by province, municipal type and form of administration							Index of human development UNDP (2004)		
Province	Total	Municipalities				Other administrative bodies, Local governments (1)			
		Total	First Category	Second category	Third category				
Total	2.252	1.151	789	218	144	1.101	-	89,9	11,1
City of Buenos Aires	-	-	-	-	-	-	0,8360	100,0	-
Buenos Aires	134	134	134	-	-	-	0,7854	96,4	3,6
Catamarca	36	36	36	-	-	-	0,7672	74,1	25,9
Chaco	68	68	10	23	35	-	0,7552	82,7	17,3
Chubut	46	26	6	20	-	20	0,8157	89,5	10,5
Córdoba	427	249	249	-	-	178	0,7886	88,7	11,3
Corrientes	66	66	12	15	39	-	0,7586	79,4	20,6
Entre Ríos	261	76	27	49	-	185	0,7751	82,5	17,5
Formosa	37	27	27	-	-	10	0,7465	77,7	22,3
Jujuy	60	21	21	-	-	39	0,7407	85,0	15,0
La Pampa	79	58	58	-	-	21	0,7931	81,3	18,7
La Rioja	18	18	18	-	-	-	0,7772	83,1	16,9
Mendoza	18	18	18	-	-	-	0,7899	79,3	20,7
Misiones	75	75	14	36	25	-	0,7532	70,4	29,6
Neuquén	57	35	11	10	14	22	0,8006	88,6	11,4
Río Negro	75	38	38	-	-	37	0,7942	84,4	15,6
Salta	58	58	58	-	-	-	0,7652	83,4	16,6
San Juan	19	19	6	5	8	-	0,7755	87,0	13,0
San Luis	64	18	18	-	-	46	0,7679	87,1	12,9
Santa Cruz	20	14	14	-	-	6	0,8190	96,1	3,9
Santa Fe	363	48	2	46	-	315	0,7851	89,2	10,8
Santiago del Estero	156	28	5	5	18	128	0,7569	66,1	33,9
Tierra del Fuego	3	2	2	-	-	1	0,8231	97,1	2,9
Tucumán	112	19	5	9	5	93	0,7691	79,5	20,5

(4) They are communities, development commissions, municipal commissions, municipal delegations, rural communities, government committees, neighborhood committees and local government delegations. These administrative bodies cannot be considered as municipalities as they do not meet with the necessary criteria.

Source: (*) Updated from INDEC data in the month of June 2004

(**) Data from UNDP for the first quarter 2004 elaborated using the Permanent Household Survey, INDEC

(***) Based on data from INDEC (2001)



3. Local democracy

3.1. Local political system

In the local elections processes, the large national parties compete for power, -the Peronists and the Radicals- the provinces and finally the neighborhoods.

The elections are pluralist in character although in some municipalities there exists the possibility that a first electoral round may hit extraordinarily high levels, due either to a particular electoral system, cultural tendencies, or in some cases due to the practice of obtaining votes with promises of government posts.

Every province has its own electoral system: mainly proportional representation, although some do use majority voting.

Local executive power is exercised by an executive officer (*intendente*), elected by direct vote for a period of four years -two in some local governments that do not have a municipal hierarchy- with the possibility of reelection within a defined period of time in some provinces, or undefined, in others. Legislative power is exercised by a *Deliberative Council* where the number of members may vary, depending on the organic law. Occasionally local governments are unable to create these divisions of power due to too small a number of inhabitants: in which case they only have collegiate authority or a one-man commission. Local elections may be obligatorily held alongside the provincial ones and even the national ones if, by coincidence, they are held on the same dates. On the other hand, some organic laws insist that they are carried out before or after other election dates.

Regarding public opinion of local democracy, the only available data comes from a recent study carried out by the UNDP¹ that revealed low levels of confidence in state institutions, with local governments rated at 4.25; this was, however, above provincial and national levels. Recent studies reveal that, during

the political crisis in 2001, society supported local governments because they effectively managed the social emergency.

3.2 – Civil participation

Since the return of democracy in 1983, public voting levels during national elections have stood at around 80%, with evidence of a small, but subsequent decline ever since. Even though data for local voting trends does not exist, partial studies have revealed that they are in line with the national and provincial levels.

Many provinces contemplate the use of additional democratic mechanisms, directly at a local level, but these are not often implemented or put to frequent use. More commonly used is popular initiative, the referendum or a mandate repeal; less commonly used is the public audience- although it is still used with some regularity- and Open Bench.

Some local governments have improved their participation by using by-law sanctions (*sanción de ordenanzas*), although these by nature are not binding. Examples of these different processes can be found across the country; the public audience system -in the city of San Fernando del Valle de Catamarca-, public sector consultants -in La Banda-, public service lending and social evaluation systems -in San Fernando del Valle de Catamarca- and heterodox policies of participative budget control -in La Plata, Río Grande and Rosario- among others.

¹ On 10 possible points. See: UNPD (2004); Democracy in Latin America. Towards a peoples' democracy, United Nations Development Program, Buenos Aires (Argentina)



4. Relationship between central and local levels

4.1 – General questions

Provincial constitutions usually restrict the local autonomy of municipalities with a higher population. For example, in the province of Santiago del Estero only 5 of its 156 local governments enjoys a constitutional prerogative.

On a national level you have the Secretary of Municipal Affairs, although each ministry will have links with the municipalities. A similar set up can be seen in the provinces where the departments usually have a secretary or managing body, although again, it is common that the ministries will have direct links with local governments.

4.2 – Supervision of local government

The city councilman oversees all local government acts, including the approval of money coming in and out, which is then overseen by the Audit Office at a provincial level, the constitutional body that controls both central administration and local government.

The city councilman has the power to recall an executive officer; the repeal of a mandate, if the province has the mechanisms in place for civil participation, by popular vote.

On a national level it is only able to oversee local government transactions such as the specific distribution of national funds to certain sectors. A similar scenario is seen at a provincial level: the provinces, however, do hold some informal control mechanisms, which often conspire to reduce municipal autonomy.

4.3 – Guarantee of local government autonomy; its rights and interests

Local governments do not have legal mechanisms in place to solve cases of power infringement, which are passed over to the ordinary justice system. Most conflicts that arise between local governments or within sectors of various other state institutions are resolved via political negotiation. In those provinces with a higher population this method can be facilitated with relative ease, while those of a smaller size find this method untenable. At a national level the Argentine Federation of Municipalities (FAM) represents the interests of all of the country's local governments: This body is recognized in Law N° 24.807. It is made up of all those local governments that choose to join, regardless of type, size or political affiliation. Currently a quarter of the country's municipalities are members of FAM. An executive committee, made up of different party members, runs it. The institution promotes improvements in communal administration, public administration and politics within the municipalities, by the education and training of its human resources. Within the framework of FAM, the bigger political parties organize their own executive officers.

On a national level, there does not currently exist an association of city councilmen, or any formal society at a municipal level for executive officers, or city councilmen at a provincial level.

Some local governments can be voluntarily associated to various networks, some being thematic –like the Federal Network of Municipalities for Sustainable Tourism– or others that promote regional integration like the Latin American Federation of Associations (FLACMA), The South American Community of Municipal Associations (Cosudam) and the network of Mercocities.



5. Local responsibilities

Distribution of power in Argentina					
National government (only)	National and provincial government (together)	National, provincial and municipal government (only)	Provincial government (together)	Provincial and municipal government (only)	Municipal government (together)
<ul style="list-style-type: none"> - Water and sanitation (AMBA) - Foreign affairs - Interprovincial affairs - Post - Defense - Electricity (AMBA) - Gas - Police (CBA) - Fire protection (CBA) - social security - Telephones - Airfreight - Interprovincial roads/highways 	<ul style="list-style-type: none"> - Higher education - Legal system - Police - Solid waste disposal (AMBA) - Prison service - Unemployment benefit 	<ul style="list-style-type: none"> - Attention to weak social groups - Sport - Economic development - Preventative health - Cargo and passenger terminals - Car transport - Tourism and patrimony management - Housing 	<ul style="list-style-type: none"> - Electricity. - Basic general education - Polimodal education - Interprovincial roads 	<ul style="list-style-type: none"> - Water and sanitation - Healthcare - Fire protection 	<ul style="list-style-type: none"> - Public lighting - Community and local roads - Cemeteries - Urban infrastructure - Licensing for economic activity - Markets - Walkways, squares and green spaces - Collection and disposal of solid waste matter

Source: Own elaboration based on information from the Assistant secretary for Provincial finance/funding, Department of the Interior, Fiscal affair division (1998). *Program of public sector, provincial and municipal reform. Basic diagnostic data*. Buenos Aires (Argentina). AMBA: Municipalities in the metropolitan area of Buenos Aires. CBA: Autonomous City of Buenos Aires

The typical responsibilities of local government –as set out in the municipal charter on provincial constitutions and municipal laws- can be categorized in to three groups: a) The construction and maintenance of urban infrastructure; b) Regulation and control of activities carried out in the area; c) Social welfare. The regulation of land use in accordance with provincial laws, should also be included. With regard to powers held by municipalities over public services, the situation may vary: for example, water and sanitation services and electricity in most of the municipalities within the metropolitan area of Buenos Aires fall under the jurisdiction of the

national state, because for half a century they were services provided by the national public enterprises; in the rest of the country, these utilities are usually managed by the provincial authorities, although there are exceptions whereby some municipalities do have authority over these areas. Gas distribution, telecommunications and airfreight are the responsibilities of the national state, and part of the same process.

Argentina's local governments have traditionally carried out these roles, with varying degrees of competency. During the 1990s, however, a part of them –those that basically had more competent employees and more robust financial resources- took on a number of new



responsibilities, setting out a new agenda that has been gradually extended.

These include: a) *Environmental preservation*; b) *Civil security*, neither of which may necessarily be central to the concerns of many local governments, they do often play an important role within the municipalities; c) *Economic promotion*; d) *Consumer rights*; e) *Legal access and family and neighborhood conflict resolution out of court*; f) *Social promotion*, implementing policies for minority groups, youth groups, senior citizens, gender equality, disability, addiction prevention, health, promoting sport and culture; g) *Education*, designed to complement existing government structures.

In addition to these responsibilities, municipalities also have to assume a number of other tasks, which come directly from senior government bodies; the administration of social politics and temporary employment programs, political strategy to help micro, small and medium-sized businesses and sanitary promotion. In some cases, responsibilities include logistical support for the security forces, school maintenance and the preservation of a cultural patrimony.

There are also areas over which the governments have no authority, like education, aside from complementary activities that might be organized independently. The power structure is sometimes shared, as with health –which can vary from province to province, although primary health care is usually held under municipal control, while specialist hospital centers and family planning fall under provincial control-, or as with public transport management, the local government holds jurisdiction powers only over vehicles that operate within the local area.

With regard to the provision of public services, the situation is varied: In the 1990s all public services held by the national state were privatized, prompting the provinces to follow suit with water and

sanitary and electricity companies; in contrast, in the municipalities, these services remained under their direct management.

After the political and social crisis of 2001, some privatized companies were returned to state control – like the water and sanitation services in the metropolitan area of Buenos Aires, the provinces of Buenos Aires and Santa Fe, as well as the postal services.

Local governments can exercise their authority in these areas fairly freely, although to what extent depends on available financial resources. It is not uncommon that municipalities will simply act as agencies of the national and provincial governments, relying on local governments to carry out their political agenda, therefore limiting the possibilities of implementing their own.

6. Local finance

6.1 – Local government income

Income amounts to be received by municipalities are set out in the prescribed municipal laws –which set out the rates that local governments can charge-, like the co-participation law that each province has. This law controls the income received by the provinces, to be distributed to local governments.

The system of co-participation is disparate, since the amounts transferred or income shared out are often variable, as is the criteria employed to distribute it between different local governments.

The municipalities receive their principal income from public service rates and inspection, security and sanitation rates.

Only in some provinces, can local governments levy taxes –in which case they are usually in the guise of road taxes and tax on urban and rural properties-.

According to the latest available data, only 48% of Argentina's local government income comes from rate collection,



although again this phenomena varies greatly since for a significant amount of the country's local governments, intergovernmental income transfers make up the bulk of their resources: In some provinces it makes up 90% of total income. This means that municipal budgets depend largely on the size of provincial coffers and how much or how little they have to spend at any given time: which became apparent during the economic depression of 1997 – 2002, when fiscal account performance was sharply affected, while the 2003 expansion phase saw figures improve.

Even though there is insufficient data available to calculate municipal debt, in the year 2000, municipal consolidated debt service payments made up 7.7% of general income – less than 1% of government consolidated service payments-.

The municipalities, unlike the provincial governments, are subject to provincial control methods of ex-ante debt, which limits debt levels.

Municipal spending in Argentina has historically been low. Even though the percentage of public spending doubled between 1986 (4.3%) ad 2000 (8.4%), it has since stabilized: these figures are still relatively low when compared with other Latin American countries.

Budgets will include everything that concerns municipal management, including specifically assigned funds and transfers, authorized by senior government bodies, for infrastructure works, social promotion and business support schemes.

6.2 – Administration of local government personnel

Local governments tend to have a fairly large staff base—although they all vary—and usually lack personnel sufficiently qualified to effectively manage new areas of responsibility. The economic depression toward the end of the 1990s saw a marked improvement in staff professionalism as

many professionals found themselves working for local government, which led to an increase in political innovation. The legal framework for public employment can vary: in some provinces it is the same for municipal and provincial employees, in others local governments have their own framework, although usually it comprises a mixture of the two.

Careers in administration and career development are often the result of personal contacts, based on principles of excellence.

With regard to the integrity of elected authorities and local workers, there is no assessment mechanism in place at a local level, other than the Citizen's Auditory Report, compiled by the nation's Chief of Cabinet which studies 12 average-sized municipalities in the country: 5% all those citizens interviewed said they had witnessed bribery by a municipal worker and 4%, admitted to have taken part in such an act. There are currently no official mechanisms in place at a local level that work to prevent corruption, apart from a few exceptions.

The municipal employee syndicates play an important role in the defense of worker's rights and their actions have in part limited the possibilities of restructuring areas of management that require it, if they are to be made more efficient.



7. Evolution over fifteen years

Since the political crisis of 2001, when the country's governmental structure stood on the brink of collapse, the municipalities in Argentina have assumed a new political role. In the previous decade municipal responsibilities were gradually extended, dialogue with higher levels of government increased and control over total public spending also extended. However, the trend of increasing local government's responsibilities was matched with the growing intervention by other levels of government in local government processes. Some provincial initiatives have even damaged the spirit of municipal autonomy. Even at a national level, there does not appear to be sufficient political initiative aimed at strengthening the powers of local governments.

Local governments often lack the resources required to help them meet civil requests, making them increasingly reliant on other government levels, given that the securing of funds is often the result of personal and political affiliation within the local authorities.

Another issue at large is the lack of human resource at local government levels, which makes it impossible for them to effectively carry out the provincial and national political initiatives available to them.