

The Congressional Politics of Decentralization

The Case of Chile

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This article explains why legislators in a centralized polity support decentralizing laws. Using Chile as a case study, it assesses two standard explanations for this support: party nomination procedures, which is disregarded; and electoral strategies, which is accepted. A novel finding is that party ideology is also a predictor of support for decentralization, with parties of the Right less likely to offer it. The author also argues that a legislator with a sub-national rather than national background is more likely to back such reforms in an attempt to enhance his or her reputation within the constituency. The author tests these and other hypotheses by combining qualitative arguments and regression analysis. The latter is performed on an original database of legislator biographical information, party electoral performance, regional GDP figures, and individual legislator support for 46 decentralizing laws approved in Chile between 1990 and 2006.

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Since the 1980s, the decentralization policy paradigm has been promising a variety of benefits related to public services' efficiency, effectiveness, and democratic accountability; at the same time, it has generated concern regarding issues of macroeconomic stability, local government capabilities,

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treated as the first round. With these reforms, Pinochet granted municipalities attributions for primary health and education while maintaining centralized command through appointed mayors; therefore, it can be said that national interests prevailed in this first round. The second round would then be the 1991 to 1992 comprehensive reforms, which restored the election of mayors (among other things), and the third round would be the several fiscal decentralizing laws enacted after 1992. However, the Chilean case does not match Falleti's sequence in the second and third stages: After administrative deconcentration came political decentralization through the 1991 and 1992 reforms, restoring the election of mayors. Then in 1995, the central government started to pump resources into municipal governments, and the first municipal finance reform was passed. Since then, there has been a continuing and incremental demand for fiscal resources. Despite the lack of financial resources to accompany the first regional and municipal reforms, particularly for health and education matters, and the ongoing discussion since then of related fiscal issues, Falleti's fiscal stage was triggered several years later and by a political reform showing that the sequencing hypothesis is not supported by the process as it occurred in Chile.

As mentioned above, party nomination procedures (Hypothesis 3) are determined in large part by the electoral system. The congressional electoral rules imposed in Chile at the end of Pinochet's dictatorship put in place a plurality system in two-member districts with large minority representation.³ This system makes it very hard for a party or coalition to win both seats in a district, and only by doubling up in at least one district can a coalition win a majority of seats in the lower chamber (Carey & Siavelis, 2003).⁴

The electoral system described above has provided strong incentives for the emergence and endurance of two broad coalitions in Chile (Carey, 2002; Cox, 1997). Instead of each party running its list of candidates, it has to engage in difficult intracoalition pre-election negotiations to determine—in a centralized manner—who will run for the two candidacies per district (Magar, Rosemblum, & Samuels, 1998).

Before entering into intracoalition negotiations, each party usually appoints a centralized committee to select potential candidates. This committee does the work of meeting potential candidates, consulting with the party rank and file and ranking candidates according to their expected success in winning both the coalition's nomination and the election itself (Siavelis, 2002). Even though primaries and grassroots proposals arise in some cases, elites can and do override the popular will, as they have to negotiate nominations within their electoral coalitions with a view to maximizing the total number of legislators elected across the country. To accomplish this, party leaders

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