World Development Vol. 36, No. 12, pp. 2921–2936, 2008
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0305-750X/$ - see front matter

ELSEVIER
www.elsevier.com/locate/worlddev

doi:10.1016/j.worlddev.2007.11.018

Neo-Corporatism and Territorial Economic Development: The Ecuadorian Indigenous Movement in Local Government

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Summary. — This article argues that the democratization of local governments that has been led by indigenous movements in Ecuador can best be described as "neocorporatist". The article, based on the evidence from two cases of indigenous local governments in the Andes, argues that the forms of "neo-corporatism" created by the Ecuadorian indigenous movement on its entry into government are designed as participatory institutional frameworks that also serve as channels for the expression of social movements' demands. The neocorporatist practices deployed by indigenous movements in these areas have had mixed results, both in terms of their implementation and of their capacity to foster viable income-generating activities for poor rural areas. On balance, while the forms of neo-corporatist government fostered by the indigenous movement *can* have positive impacts on economic development, there are still two broad limitations. First, it continues to be difficult to foster a process of territorial economic development that effectively addresses the distinct interests that exist among different community organizations. Second, the negative effects of the wider economic context in which local territories find themselves remain beyond the control of the local government.
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Key words — social movements, indigenous peoples, local governments, corporativism, rural territorial development

1. INTRODUCTION

Since the late 1980s, the Ecuadorian indigenous movement has emerged as a social and political actor with a speed and visibility almost unprecedented in the countries' history. Given that it questions the very underpinnings of the country-State founded two centuries ago, the movement's importance stems as much from its historical and moral weight as its symbolic significance. But what, in the final instance, have been the effects of this movement on the political economy of local territorial development in Ecuador? How (if at all) are its actions altering the power relationships, institutional frameworks, and the operating conditions of the Ecuadorian economy?

These are the underlying concerns of this paper, and we address them through two main questions. First, what is the broader project for societal change being pursued by the indigenous movement, and how might this project be characterized. Second, how is this project

* This paper draws on the findings of a more extensive study published in Ecuador (Ospina *et al.*, 2006). Final revision accepted: November 13, 2007.

affecting the dynamics of local territorial development? In response to these questions, we first suggest that the processes of local government democratization that have been pursued by the main organizations of Ecuador's indigenous movement can be reasonably described as "neocorporatist." [1] We then argue that the mechanisms of neocorporatist democracy that derive from experiences associated with the indigenous movement are more successful, although modestly, in the formulation and implementation of economic policies for local territorial development compared to the clientelistic model they replaced. This is because they change the balance of power and patterns of participation in public policy decision-making processes and, as a result, the sorts of public investment that are prioritized as a result of this decision making.

To make this argument, we begin the paper conceptually, elaborating our definitions of corporatism and neo-corporatism, and arguing that these concepts can also be used to analyze the political projects of indigenous organizations in the Ecuadorian Andes. Following this, we describe and analyze the experience of two local administrations in Ecuador (the municipal government of Cotacachi and the provincial government of Cotopaxi), in which indigenous organizations have played decisive and leading roles. Both the administrations are "successes" in that they have been re-elected at least once and have, throughout, been grounded in the support of grassroots organizations that have sustained their capacity for social mobilization. The principal purpose of these two case studies is to demonstrate that (i) with the presence of indigenous organizations, traditional clientelist practices in local government have been progressively replaced by practices that might be characterized as neocorporatist and (ii) that this transition has had real—albeit modest—effects in the promotion of territorially based economic development in each region. This argument then provides the basis for some concluding comments.

Research for this study was conducted between March and December 2005. It involved 50 in-depth interviews with senior and mid-range indigenous leaders in Cotacachi and Cotopaxi. We also participated actively in various assemblies, meetings, evaluation workshops, and discussion meetings with grassroots, provincial, and municipal leaders as well as with persons closely involved in the processes we were studying. [2] We conducted two public opinion surveys on the achievements and problems associated with these processes of participatory government. In Cotopaxi, the survey was conducted in October 2005, with 683 interviewees from seven municipalities of the province. In Cotacachi, the survey was conducted in September 2005, with 602 interviews completed. In addition, "mini-ethnographies" [3] of three months duration were conducted in rural sectors of Cotacachi, and we collaborated with a socio-economic study being led by the local indigenous federation (UNORCAC, the Unión de Organizaciones Campesinas de Cotacachi).

2. NEO-CORPORATISM, CORPORATISM, AND TERRITORIAL DEVELOPMENT

(a) *Indigenous movements and the transition from clientelism to corporatism*

The bargaining between dominant and subordinate stakeholders in any given territory always takes place in a context of historic power relations and particular political traditions. For this research we identify three "ideal models" of traditional bargaining for decision-making regarding territory and its development: *clientelism*, *corporatism*, and *citizenship*.

While definitions of *clientelism* differ, they all share an emphasis on the existence of an asymmetric power relationship between patron and client and the notion that under conditions of *clientelism*, decisions regarding the investments and development plans take the form of a highly unequal exchange of favors between a "patron," on the one hand, and individual or family groups on the other. Works and goods flow in one direction and political loyalties flow in the opposite direction. To this definition, we would also add that for relationships to be deemed "clientelistic" they should link individuals and/or loose networks of association. Where the client is a *formal organization*, it is more accurate to talk of a corporatist relationship. While the boundaries between the formal organization and the loose association are of course not always clear-cut, it seems useful to sustain this distinction given the different types of social context and political regime implied by the presence or absence of links to formal social organizations. [4]

Under conditions of *corporatism*, organizations allocate favors, works, and services without any intermediating role being played by

political parties. Corporatist relationships are also characterized by asymmetries between leaders and bases, or between bosses and their followers, and there is also an intention on the part of leaders to create loyalties and to assert the subordination of a set of actors to their leadership. However, given that under these arrangements the source of the loyalty is a collective and formally structured body, such relationships tend to create and consolidate associative structures in which the "bases" participate on a relatively massive scale, and in which alternative sources of leaderships can form and emerge in ways that generate a greater possibility that the organizations and their bases will be able to gain some degree of autonomy[5] and independent identity from the leaders.

In contradistinction to clientelism, when social relationships are grounded in the principles and practices of *citizenship*, investments are made based on a notion of "rights" which tend to privilege *individual* relationships where each person has the same rights as everyone else. In their purest sense, citizenship relationships imply an absence of power asymmetries although in practice there continue to be power differences between representatives and the represented—differences that generally reflect prior asymmetries. While in more classical conceptions of citizenship, political intermediation occurs through parties representing groupings of individuals, more recent conceptions often accept that citizenship can also be collective and identity based, and that representation may occur without the intermediation of political parties. While once again this presents the problem of fuzzy boundaries between ideal types, we use these distinctions in order to highlight the analytical contrast between a classical notion of the individual citizen and a corporatist notion of citizenship based in organized collectivities. The accent on group and organizational representation rather than on individual representation would lead us to believe that in Ecuador, the notion of "corporatist" democracy is becoming stronger than that of "citizens" democracy.[6]

We argue—unlike some others—that the basic difference between a corporatist and citizen model of democracy does *not* reside in the existence of rights and obligations (of the sort that is central to theories of citizenship). While some classic conceptions of corporatism suggest that corporatist politics do not involve an interplay between "rights" and "duties," the workings of participatory bodies in both Cotacachi and Cotopaxi as well as the struggle of the indigenous movement itself, each place a great emphasis on the full exercise of such "rights" (the rights of children and youth, women's rights, indigenous and black rights, their right to be consulted and to participate, *etc.*). Put differently, there is no necessary contradiction between the (neo) corporatist political practices and the exercise of *rights*. Likewise, these organizations place a great emphasis on "duties" in the form of participation as well as the exchange of labor, goods, or prestige (Ferraro, 2004; Landa, 2004, pp. 95–96; Mauss, 1983 [1924]). When these obligations are not met, it is considered a breach of reciprocity, of the prestige associated with respect for such practices, and a refusal to abide by the norms of society. In other words, corporatism that stems from community praxis has no problem recognizing "duties" or responsibilities.

(b) *Corporatism to corporatism*

In the remainder of the paper, we will suggest that the rise of Ecuador's indigenous movement and its entry into formal governance processes have fostered a shift away from clientelism and toward more corporatist forms of political practice based in collective rights and duties. In this section, we suggest that of the three models of political representation, clientelist patterns of decision making are both the most traditional and the least appropriate for promoting alternative forms of territorial economic development that can reduce poverty and inequalities.[7] Conversely, corporatism and citizenship seem to facilitate, as we will soon see, the collective identification of territorial priorities, the design of policies to pursue these priorities, and solid stakeholder commitments to common objectives. We will argue that the territorial governance processes in Cotacachi and Cotopaxi are evidence of an attempt to transform decision-making models that were previously based on clientelism into models, in which the decisions are made on the basis of corporatist relations.

Corporatism in Latin America has always been linked to an economic project as much as a political one. Indeed, while fascist totalitarian regimes in Europe constituted a form of corporatism that ruthlessly and aggressively assimilated popular organizations into the new authoritarian order, in Latin America corporatist relations were primarily viewed as a means to sustain modernizing and industrializing

projects conceived as alternatives to the model of liberal capitalism that had dominated during British hegemony in the region. Thus, it was that during important parts of the 20th century, the practice of corporatism in Latin America brought together workers' unions, peasant federations, and business sectors [8] in a form of state-society alliance oriented toward industrial development. Indeed, Latin America's main industrial complexes were built precisely in those countries with the most consolidated corporatist regimes: Mexico, Argentina, and Brazil. At the same time, though, this corporatism was also a nationalist project (often led by the national armed forces) that, *inter alia,* reflected the desire to break away from US expansionism and build autonomous relations with the other European countries and the rest of the world. [9]

Ecuador's indigenous movement shares certain qualities of these earlier periods of corporatism in the region. It too has attempted to mobilize its social bases in support of a modernization project that seeks to be different from the dominant neoliberal project. It also conceives of democratic participation and citizenship as emanating from the organized associations rather than the loose associations of individuals. That said, its corporatist model also differs in certain significant ways. For instance, industrial guilds and labor unions had scarcely participated in the political activities of the indigenous movement during the last decade, although alliances with nationalist groups within the army and civil servant unions have been fundamental during the recent past. However, where it differs most from earlier corporatisms is in relation to the role of political parties—not only in organizational terms but also in relation to the very political project underlying the movement. In some of the classical examples of Latin American corporatism, the political party, usually associated with a charismatic and centralist leader (e.g., Perón or Cardenas), served as a vehicle for ensuring that the "public interest" would impose itself over the interests of "factions," trade guilds, or political groups. While these latter were pursuing their own particular interests, the argument was that political parties would represent, at least in theory, a broader public interest. [10] As a consequence—in Latin American corporatism as in European fascism—the party served as a mechanism for the political subordination of social organizations, unions, and other collectivities. [11]

While there *is* a political platform linked to the indigenous movement in Ecuador—the *Movimiento de Unidad Plurinacional Pachakutik—Nuevo País* (MUPP-NP)—it is neither as unitary nor as strong as the parties associated with the historic corporatisms in the region. It is not a political machine with its own independent organizational structure that seeks to represent an imagined "public" interest; nor does it have the means to establish a political position of its own that transcend the positions of the organized groups that constitute it. In practice, organizations that operate within MUPP have, at a local level, advocated in their own particular ways, the manner in which to include their individual interests within a larger program.

It is because of these differences that we characterize representational practices in the indigenous movement as "neocorporatist." They are "neo"-corporatist not because they reflect brand new forms of political behavior and representation, but rather because they demonstrate important differences from "state" corporatism of the sort that characterized mid-20th century Latin America. At the core of these differences is the relative autonomy of member organizations in relation to the broader political platform, while at the core of the continuity is the practice of group-based representation and incorporation into a larger social whole. It is in the interplay between this continuity and difference that we find the factors that determine the extent to which movements—when they enter local government—influence the dynamics of local economic development. We now turn to the two cases that allow us to explore these relationships.

(c) *Indigenous movements and local government: case studies in neocorporatist territorial development*

(i) *Indigenous neo-corporatism in a municipal government: Cotacachi*

The township of Cotacachi (Figure 1) is located in Ecuador's northern highlands some 150 kilometers north of Ecuador's capital, Quito. Approximately, 40% of its 40,000 inhabitants were classified as "indigenous" (Ortiz, 2004; Ospina (coord.), Carlos, María, Alejandra, & Ortiz, 2006, p 293), [12] and 75% of the population lived in rural areas in 2001. Although very poor, with significant levels of temporary and permanent outmigration among young men and women, the district also has a

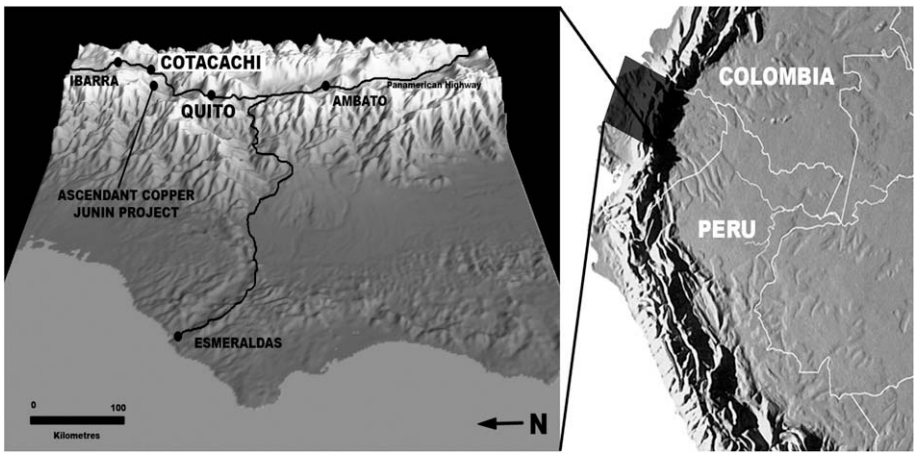

Figure 1. *Cotacachi. Source: Bebbington et al. (this volume).*

relatively prosperous small industrial and leather handicrafts sector, flower production enterprises, and tourism-related activities that are on the rise.

Since winning Cotacachi's municipal elections in 1996, the indigenous movement has been a key player in the changes made to the priorities given to local development efforts. [13] The municipal government led by a mayor of indigenous origin has since been re-elected twice. The creation of a ''Local Assembly,'' or *Asamblea de Unidad Cantonal de Cotacachi (AUCC*), and the growing level of participation by diverse social stakeholders in local policy making reflects an effort to reorient the activities of the municipality and of the ''new citizenry'' with regard to the development of their territory.

This democratization of development policy making has had both positive and negative implications. Only organizations, not individuals, have any real representation in the participatory bodies created by the new local government. As just one example, the Comité de Desarrollo y Gestión (Development Management Committee), which is the executive body of the AUCC, is composed of only representatives of the main social organizations in the municipalities three geographical zones (the subtropical slopes—Intag—the town centre, and the rural highlands). An opinion poll taken in Cotacachi in September 2005 revealed that only 10% of the population stated that it had taken part in an activity organized by a democratic participative institution, and that only 50% of those surveyed had even heard about the *Asamblea de Unidad Cantonal de Cotacachi* (AUCC), the municipalities' main body for participatory governance. Of the 50% who ''had heard something about'' it, 20% believed that the AUCC organized patron saint festivities and another 10% believed that it organized the Easter procession (Ospina *et al.*, 2006, pp. 294–295). What this means is that a significant share of the population still lacks access to or even knowledge of participatory and decision-making mechanisms, reflecting the fact that these mechanisms were designed in order to foster ''organized participation'' and not individual participation. [14]

The limitations of a weak organization and limited knowledge are exacerbated by the fact that several organized stakeholders are not engaged in these local government bodies or, if they are involved, occupy a relatively marginal position. This is particularly the case for the business sector. For instance, while the floriculture companies in Cotacachi (there are five flower export companies in this district) *did* decide to participate in the Environmental Management Committee (following an AUCC resolution to conduct an Environmental Impact Study of their activities), [15] it was patently clear (see also the paper by Bebbington *et al.* in this section) that other organizations in Cotacachi dominated decision-making processes in the Committee (in particular, the environmentalists of Intag, the peasant federation UNORCAC), the Mayor's office, and certain AUCC technical support staff.

Not all would share the interpretation that Cotacachi's new local government is based on corporatist rather than citizenship based forms of participation. Indeed, in practically every official document, the Cotacachi Assembly alludes to the full exercise of "citizenship," and clearly does not view itself as proposing a corporatist democracy. Whatever the case—and whether the trend is toward citizenship or corporatism—there is an evidence that the participation of the indigenous movement in Cotacachi's municipal government has shifted governance practices away from clientelistic relationships. Perhaps the clearest evidence of this shift is that now, in order to apply for government funding, residents must submit "projects" that have been aligned with both the zonal "plans" (for the township, urban area, Andean region, Intag) and the sectoral "plans" (education, health, *etc.*). Furthermore, proposals must demonstrate that prior to submission they have been discussed within organizations, and they are only approved following public consultation workshops or presentations, again suggesting slow but significant changes in old clientelistic practices. [16] Indeed, not a single interviewee in Cotacachi mentioned the word "clientelism" nor did they talk of corruption or suggest that development favors were being traded in return for votes. This is not to say—as our ethnographic work showed—that clientelism has completely disappeared, but there are certain overlying practices that are contributing toward its partial disarticulation, a view that is ratified in the local opinions gathered (see, for instance, document 1.13 of the references, p. 19).

What effect has this change in political and government practice had on territorial development? There is evidence to suggest that these new territorial government bodies have enhanced the capacity to apply efficient policies for promoting territorial development by building synergies between the local state and the social organizations. As one indicator of change, the investment budget in 2002 increased from US$1,457,000 to double this amount due to investments in international projects, and by 2005 the municipal government's budget totaled US$1,510,000, with US$1,386,000 in international grants. [17] Neither the municipality nor the UNORCAC alone would have been able to create a suitable environment to attract the current number of international development investments in Cotacachi. The coordination of non-profit public and private investments is, without a doubt, one of the AUCC's greatest achievements. Other indicators of positive impacts have been the successful eradication of illiteracy in the municipality (as a result of state-society coordination in program implementation) and the improvement of health services. Indeed, such changes are highlighted by community leaders and recognized by the residents. Conversely, improvements in economic (as opposed to social) development indicators are less evident. Figure 2 shows that while between 30% and 45% of the survey reported improvements in health, education and water, only 10–15% identify improvements in employment, irrigation, economic and security.

The Assembly is well aware of this problem (see, e.g., AUCC, 2005). An example of this is its decision to engage directly and invest its own funds in organizing the first "Leather Fair" held in March 2005. The two-day event earned some US$36,000 in profit and according to preliminary estimates, at least 25,000 visitors exchanged some US$200,000 in the city during the event. [18] But there are still many challenges ahead.

The main economic development strategy systematically promoted by these participatory governance institutions has been tourism. Tourism is viewed as a means of combining job creation and economic growth, while also supporting the development of Cotacachi as an "ecological" municipality The tourism promotion strategy uses creatively two key assets: the link to the close by economic region of Otavalo and the attraction of Cotacachi volcano.

The "community tourism" plan prepared as part of a series of alternative projects for the township calls for a harmonious relationship with nature, the engagement of other key stakeholders, namely women and youth, and the participation of the community as a whole (Granda, 2005, p. 28). [19] This strategy aims to foster and promote agro-biodiversity, handicraft production, agro-ecology, and product processing, [20] and to develop skills among residents. It is also supplemented by tourists who arrive to the urban area of Cotacachi to purchase handicrafts and leather, or visit the Cotacachi–Cayapas Ecological Reserve. The plan calls for the development of restaurants, hotels, taxi services, and travel agencies, among others (document 1.13, p. 4). The urban renewal and infrastructure improvement program is also conceived as a complement to the promotion of tourism. In communities with tourist accommodation and tourism-related income-

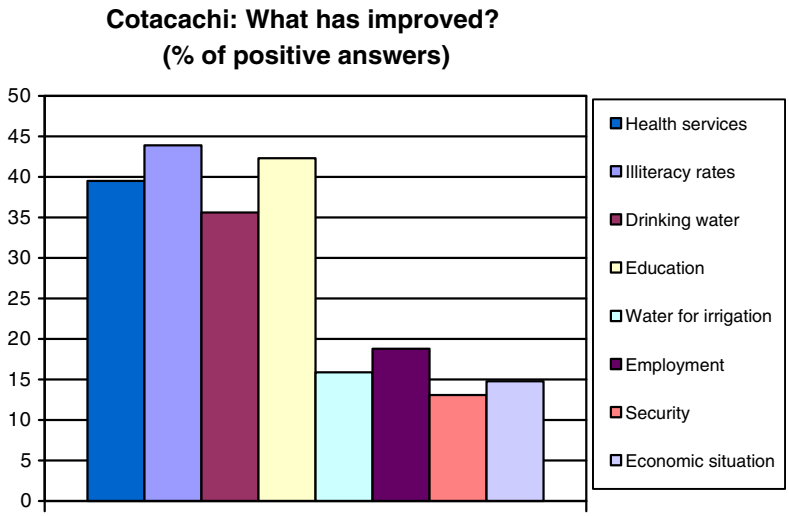

Figure 2. *Cotacachi: what has improved? Source: Ospina et al. (2006, p. 296).*

earning projects, there is a greater use of farm machinery, improved service access, and alternative home building materials (see document 1.13 of the references, p. 8). While in many cases these differences were present before the tourism promotion policies were implemented, and are largely associated with the international migration and development projects funded by the international donors, it is also clear that such services are prerequisites to adequately access the growing tourism market.

The fact that this strategy was drawn up with the consensus of the stakeholders, in spite of its limitations and the risks involved, [21] the uncertainties that have arisen, and the conflicts and discussion that it has raised, [22] is an example of what organized stakeholders can achieve when they negotiate their individual interests and positions in their quest for alternatives for the territory they share. The coordination of investments and interests, and the success in drafting basic shared definitions of an economic model for Cotacachi, are direct corollaries of the corporatist democracy that has emerged in Cotacachi.

This success in building a shared and broadly consensus-based strategy for territorially based economic development is all the more remarkable when one recognizes that Ecuadorian municipal authorities have no tradition nor experience in planning and promoting economic development. Their roles have been linked exclusively to the provision of social infrastructure and, occasionally, to service provision. In this sense, neocorporatist democracy has to struggle not only against prior clientelistic practices but also against the existing institutional arrangements. Seen in the light of these obstacles, the economic achievements in Cotacachi, though modest, are nonetheless noteworthy.

(ii) *Indigenous neo-corporatism in a provincial government: Cotopaxi*

The province of Cotopaxi is located in the Central Andes of Ecuador and its capital city, Latacunga, is located 150 kilometers south of Quito (Figure 3). Approximately, 39% of its almost 400,000, predominantly rural, inhabitants can be classified as "indigenous" (see HCPC, 2004 [2002] and Ospina *et al.*, 2006, p. 270). [23] The November 2001 Population Census showed that 70% of the population lived in the remote rural villages. There is a widespread seasonal migration (wage earners migrate to cities and other agricultural areas) with women filling jobs in the fields and in recently established flowers exporting companies (see Viera (2004), Guerrero and Ospina (2003, pp. 87–113) for Cotacachi, and SIPAE (2005), and Ibarra and Ospina (1994) for Cotopaxi). Poverty, land degradation, and unemployment are generalized in the province, yet in the midst of this economic depression, migration, and extreme poverty there exist a few small islands

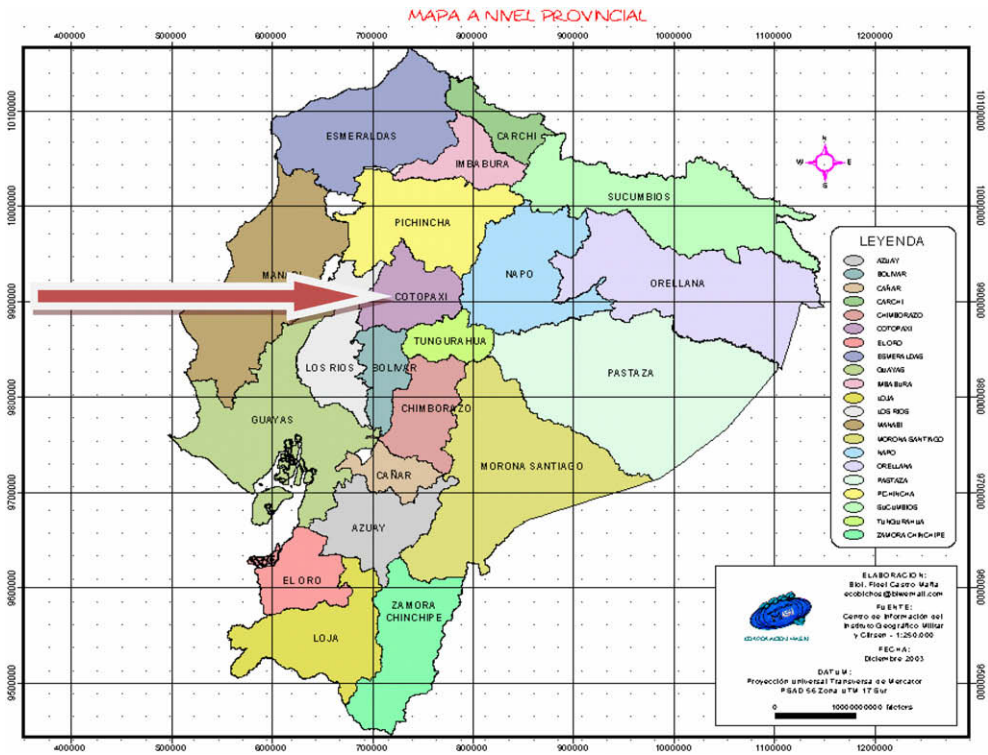

Figure 3. *Cotopaxi. Source: Instituto Geográfico Militar.*

of economic dynamism. Several industries were setup along the Cutuchi river valley during the seventies. There are also longstanding irrigation systems for livestock farming, and a number of small, relatively prosperous farms are located in this region and in the area surrounding Salcedo to the south.

For the first time in the history of the Andean Province of Cotopaxi, an indigenous man was elected as Provincial *Prefect* (a form of "Governor") in the year 2000, with the support of the provincial Indian and Peasant Movement (*Movimiento Indígena y Campesino de Cotopaxi, MICC)*. The provincial government proposed the preparation of a local management model based upon democratic principles, the strengthening of the provincial government as the coordinating body for territorial development, and support for local sustainable development initiatives. This process began with the drafting of the Participative Provincial Development Plan, and the priority was given to environmental issues as the central theme for the provincial government's program. This participative and democratizing process was confirmed by the provincial elections of 2004, which had the largest voter turn-out in history. Other changes resulting from this government include the democratization of budget execution and a growing public recognition in the province that "Indians," once considered incapable, can be competent and efficient administrators.

In Cotopaxi, the notion of the organization as the basic condition for participation continues to be as strong as it is in Cotacachi (if not stronger). About 65% of those we surveyed reported that they had participated in some form of organization, [24] although only 15% said that this participation was active (meaning that they attended meetings more than once a month). Eighteen percent of the population reported that they were a member of the province's largest popular organization, the *Movimiento Indígena y Campesino de Cotopaxi* (MICC), while 45% said that they knew something about the organization. Only 18% of all those interviewed had heard of the Provincial Development Plan,

and of these, more than half admitted that they knew only of its existence but nothing about the Plan itself, its implementation schedule or additional specific information. As in Cotacachi, the limitations of a weak organization and limited knowledge are exacerbated by the fact that several organized stakeholders are not engaged in local government bodies, namely trade unions and certain business groups from Latacunga. Contact among them is poor, and they are not involved in the participatory process.

Another critical problem that these participative bodies face is the formal participation of the indigenous community. Leaders of ethnic grassroots organizations and indigenous leaders more generally often attend public workshops or meetings, but their representatives speak very little as they feel out of place and at a disadvantage. Urban stakeholders, who are less organized but have better public speaking skills, dominate the scene.

Even though indigenous leaders make repeated reference to the strength of indigenous and social organizations when they talk about their "project" for participatory democracy in Cotopaxi, it remains the case that these spaces for coordination [25] are far less institutionalized than they are in Cotacachi. Notwithstanding various attempts to create something similar, Cotopaxi has no coordinating body akin to the AUCC in Cotacachi. While MICC—the indigenous organization in Cotopaxi—has been more successful than Cotacachi's indigenous organization (UNORCAC) in assuming political leadership and fostering policy debate, the absence of bodies that incorporate a wider range of stakeholders to do the same has meant that in practice the (indigenous) provincial Governor maintains far greater discretional and personal power in managing relationships with base groups than does the mayor in Cotacachi. Thus, the absence of the private entrepreneur and of the trade—union sectors in the participatory decision making and policy definition spaces is even more evident than in Cotacachi.

As a corollary, the existence of clientelistic relations was frequently reported by all those surveyed, and was also evident in all the MICC and other meetings that we attended in the course of this research. Indeed, the discussion over whether the Provincial Council of Cotopaxi reproduces or not old clientelistic relations or whether there are any signs of change in this complex and deep-rooted practice is much more fervent there than in Cotacachi. This debate occurs not only among NGOs and other allies, but also among indigenous leaders themselves—both those in opposition as well as those within the MICC. For many, Cotopaxi's new government shows the same corrupt and "in-group bias" practices that have always existed (M.M., 23/08/2005, R.V. 2/05/2005, M.A., 08/2005; J.M. 9/06/2005). For others, signs of slow changes can be seen. As evidence of such change, they cite: the fact that development priorities are now openly discussed with social organizations or parish boards; the use of rotating or "blind" mechanisms to avoid corruption in the allocation of public contracts; and improvements in transparency and accountability in budget management (R.A., 18/08/2005; H.G., 19/08/2005; J.T. 3/05/2005).

In order to explore further this persistence of clientelistic practices, we conducted a statistical analysis of the geographical distribution of the provincial government's public infrastructural works by parish. If the distribution of public works was determined by clientelism, we would expect that voting for the candidate of the party in power (in this instance, César Umajinga, the prefect of Cotopaxi) would be greater in parishes that had received more public works. The hypothesis here is that authorities implement public works in order to obtain votes, and people deliver votes in return for works. Figure 4 plots parishes with over 1500 voters [26] according to these two variables, yet suggests no clear relationship to support this hypothesis. Indeed, those parishes with most public works are *not* those that delivered most votes for Umajinga. If there is any trend line, it in fact suggests an inverse relationship between voting and levels of investment.

This relationship can be explained in two ways. One explanation is that indigenous authorities did not deliver public works with a clientelist interest in gaining electoral support. Conversely, authorities may have attempted to win such votes with works, but failed to do so, as voters refused to deliver electoral loyalty in return for public investment—or at least they did not do so on an automatically massive scale Rather they voted for different reasons.

Even when presented with these initial results, indigenous leaders and key informants alike continue to argue that clientelist practices do indeed continue, arguing that this persistence is *not* a reflection so much of the preferences of indigenous authorities as a deeply

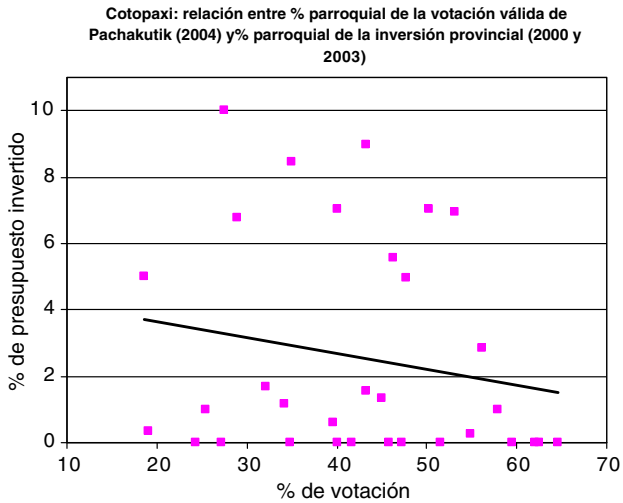

Figure 4. *Voting patterns and public investment in Cotopaxi. Source: our data.*

rooted phenomenon that itself reflects a pressure from base organizations themselves:

> The Governor says: "Ok, I will not provide community housing; we must adhere to the Plan and it says nothing about community housing. Instead, the Plan mentions lack of classrooms." So what happens? People complain and say, "I voted for you, comrade. I even received you in my district and shared a meal with you, and now you won't give me community housing." What must the Governor do apart from adhere to the Provincial Plan in vital areas such as education, road works, forestation or the environment? He has to have a budget item to be able to please people who still believe that community housing is part of development. If he doesn't go through with this, he creates social resentment (L.T., Latacunga, in Corral & Corral, 2005). [27]

Both the quantitative and qualitative data suggest, therefore, that in Cotopaxi the move from clientelism toward neo-corporatism is less clear than in Cotacachi. What effects does this have on local capacity to design and implement strategies for local territorial development? Respondents in Cotopaxi note certain positive socio-economic changes in the period since indigenous authorities entered the provincial government, albeit to a lesser degree than in Cotopaxi (see Figure 5). As in Cotacachi, more people report improvements in education, health, roads, and drinking water (between 20% and 30%), while rather fewer perceive marked improvements in economy, employment, and irrigation. Although the level of satisfaction is lower overall than in Cotacachi, the data in Cotopaxi suggest that more people perceive that the Provincial Council has made a greater *effort* to address these issues. More people felt that the Provincial Council had done something on their behalf than those who felt that their situation actually improved. And this is also true for economy-related issues such as roads and irrigation. Apparently, these patterns reflect the extent to which the population in Cotopaxi had lower expectations of their Provincial government regarding the implementation of the development programs and infrastructure works than was the case in Cotacachi.

It remains the case though that in Cotopaxi, local governments have implemented tools for territorial-based development on a more intermittent and erratic basis, and in a less institutionalized manner, than in Cotacachi. Changes in public investment guidelines focusing on the promotion of strategic development programs rather than on small infrastructure works are not as evident and are also more recent. In other words, the Provincial Council still lacks the capacity to propose its own methodology for development interventions or its own action plan and priorities. Furthermore, there have been fewer opportunities to foster inter-sectoral coordination of development projects between government and other agencies, and as a consequence projects are as a whole less articulated than in Cotacachi. In this sense, social movement capacity to influence the overall trajectory of territorial development has been less pronounced in Cotopaxi.

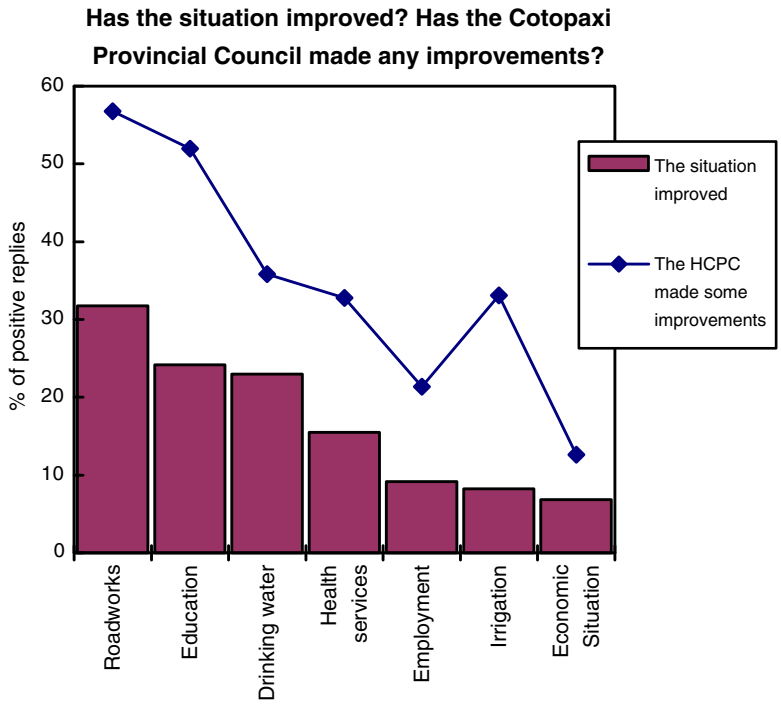

Figure 5. *Perceptions of the performance of Cotopaxi's provincial government. Source: Ospina et al. (2006, p. 279).*

Indigenous grassroots movement leaders are fully aware of this problem as are the government authorities. There are calls for changes in the way the budget is being administered. Women leaders of grassroots organizations who participate in the MICC, for example, comment that:

> Yes, we have our Councilors, our Governor, our Parish Board Chairperson, (yet) it seems we always focus on minor issues such as a playing field, community housing or demands for a soup kitchen, and not on large-scale projects that benefit us all. We overlook priority concerns. For example, people don't seem to care that there are no latrines in the community or that they don't have running water. They seem to feel that water is unimportant. [28]

This testimony is interesting because it suggests that the continuing emphasis on small-scale works as opposed to strategic development investment reflects two simultaneous logics: that of the leader who seeks to give something to as many people as possible; and that of the base organizations who insist on receiving *something* even if it is not really a priority for them. This same impression was generated by parish workshops conducted in 2001 to give people their initial training in the participatory budgeting that the government wished to implement—at those events base groups demanded small infrastructural projects instead of development programs. Likewise the VIIIth Congreso of the MICC in July 2005 resolved that:

> There should be a policy, at the level of both Municipal and Provincial Councils, of investment in productive works (...) There is a need to implement a provincial level plan for productive regeneration [29]

That is by calling once again for something that was already a part of the Provincial Plan of 2002—namely that local governments should assume such a role in promoting development—MICC was acknowledging that the authorities have not yet made such a step change.

3. CLOSING COMMENTS: NEO-CORPORATISM AND TERRITORIAL DEVELOPMENT

This paper makes two linked arguments. First, that the experiences of two local governments led by the indigenous movement can best be

characterized as "neocorporatist." They are corporatist because they seek to strengthen the role of grassroots organizations in channeling local democratic participation and in making decisions on public policy and investment priorities. Their form of corporatism is "new" because it differs from the classic corporatist model of twentieth century Latin America in the sense that it does not presume that these groups be subordinated to the political actors or party that dominate the state. Their corporatism also has elements of the "old" in the sense that it continues to be based on organizational and political traditions with their roots in deeper agrarian traditions of indigenous communities grounded in the kinship ties that were so effectively manipulated by the pre-capitalist hacienda.

The paper's second argument is that the mechanisms of neocorporatist democracy that derive from experiences associated with the indigenous movement are, when compared to the clientelist model that they replaced, somewhat more successful in fostering the formulation and implementation of economic policies for local territorial development. In a way that is similar to classic Latin American corporatism, the social alliances underlying indigenous neo-corporatism seem to promote a form of development and inclusive modernization that is different from that promoted by liberalism (or in this case neo-liberalism). That these efforts have had relatively little impact on the economic sphere reflects a national and regional economic context that is particularly prejudicial for underprivileged social sectors. Indeed, all the data we have gathered in the course of this research provide clear evidence that after more than two decades of adjustment policies, social and economic inequalities have increased. [30]

In this sense, the context is one that makes the promotion of inter-cultural respect and participatory democracy less challenging than the promotion of new local economies. The shifts required to achieve such economic change lie beyond the control of the traditional authority and capacity of local governments and of the social forces assembled in the indigenous movement. They require much more than the promotion of local democracy and respect. That said, it is also the case that the forms of neo-corporatism catalyzed by the indigenous movement *can* offer more opportunities for promoting economic development and social equity than did the local government practices that preceded them. The efforts to implement territorial projects that preserve the "public interest" over individual interests have taken shape amidst internal conflicts and organizational divisions in both townships. In this sense, both experiences—in spite of their differences, nuances and limitations—offer the prospect of improvements in political and social inclusion.

NOTES

1. We are not the only ones to describe the new social movements as neocorporatists. Cfr. Frank (1993). On corporatism in the unions of coca producers (*cocaleros*) in the Bolivian Chapare, see Stefanoni and Do Alto (2006).

2. See bibliography for a list of these meetings.

3. Cf. Bebbington, Dharmawan, Farmi, and Guggenheim (2006) on the use of miniethnographies and such mixed methods.

4. See Powell (1970) for a definition that does *not* distinguish between private clientelism, and organized clientelism, and that therefore does not distinguish between clientelist and corporatist political regimes. See also Caciagli (1996) and Moreno Luzón (1999) for an analysis of definitions that do work with this distinction, and a discussion of the benefits that can flow from this. On the Ecuadorian case, see Ospina (2006).

5. Some of the classical works on corporatism in Europe are those by Schmitter (1974, 1992, particularly pages 25–92) and Williamson (1989) An easy-to-read summary can be found in Jessop (1999 [1993], pp. 404–410).

6. Alvaro García Linera (2005, pp. 11–54) adopts a similar analytical distinction in order to differentiate between the demands of indigenous peoples in Bolivia, and the demands for "citizenship" made in modern capitalist economies. This same distinction is political relevant for Ecuadorian politics given the emphasis that the current president Rafael Correa places on a recovery of citizenship—a discourse that has become increasingly visible since the so-called "rebelión de los forajidos" in April 2005. For a recent statement on the history of individual citizenship, see Pierre Rosanvallon (1999

[1992]). For new conceptions of multicultural citizenship, see Kymlicka (1995). The distinctions between ethnic representation and individual citizenship can also be seen in models of the so-called "consociational" democracy (cfr. Lipjhart, 1977; Grey Postero & Zamosc, 2005, pp. 34–35).

7. Recent publications by Auyero (2001, 2004) and Levitsky (2005) have once again placed the Latin American debate surrounding clientelism in the limelight and we suggest to provide an interesting contrast to the Ecuadorian case. While in the 1990s, Argentina shifted from Peronist corporatism to Peronist charity-driven clientelism, in present-day Ecuador the latter seems to be moving in the opposite direction even though this implies going against the dominant political current, as Yashar (1997) clearly states that the structural reforms of the 1980s and 1990s tended to weaken corporate actors.

8. Those that were oriented towards production for the internal market.

9. The bibliography on this period and these countries is extensive, and there is continuing intellectual controversy surrounding the relationship between political regime and industrialization: see Touraine (1988 [1987], pp. 139–170); Zapata (2001), and Cardoso and Faletto (1969 [1967]). For more recent readings, see Fausto and Devoto (2004) and Thorp (1998). Guillermo O'Donnell's (2004 [1976], pp. 57–67) is the classic statement on the social alliances underlying the industrialization process, and the role played by worker unionism in Argentina.

10. Bustamante (2006, pp. 25–30) suggests that a political party that advocates only the interests of its members does not fulfill its primary function, whereas a guild that successfully supports the interests of its members is doing precisely what it is expected to do.

11. On the role of parties within 20th century populist regimes see, Touraine (1988 [1987], p. 149.60).

12. It is intrinsically difficult to determine who is "indigenous" given the lack of compatible, suitable, and measurable criteria. We will not delve into the issue, however, since an extensive analysis of the situation in Ecuador can be found in Guerrero and Ospina (2003, pp. 115–147). The 40% figure refers to the identification of external "indigenous" characteristics based on the physical and the cultural features established by the interviewers who took part in the 2005 survey which we conducted and which match the references found in ethnic self-description literature.

13. For systematic studies on the accomplishments of the political democratization processes in Cotacachi and Cotopaxi, see Ortiz (2004) and Larrea (2005).

14. "The basis of a participatory system is not individual citizens but organized stakeholders" (Ortiz, 2004, p. 87).

15. Indeed, at the time the fieldwork was conducted, their representative was the treasurer of the Committee.

16. See Ortiz (2004, p. 94).

17. Ortiz (2004, pp. 133–136 and 184); and the Auki Tituaña Report (refer to document 1.9 in the references).

18. Refer to document 1.3 in the references.

19. There are seven projects underway: in Intag (handicrafts made from cabuya plant fibers, production of soap made from the sabila plant, and clothes manufacturing), and in Manduriacos (handicrafts made from loufa and other natural materials).

20. There are 14 projects underway in the four zones: in Intag (production and sales of farm products, production of organic brown sugar, and production and sale of organic coffee), in Manduriacos (seed collecting, peanut processing, a liqueur distillery, animal feed, and dairy products), in the Andean zone (agro-ecological farms, marketing of native products and food security, the *Ally Tapuy* agro-industry, post-harvest sales, apiaries and alpaca farms) and in the urban zone (family plots and a plot of land run by the neighborhoods' Federation).

21. For example, as regards the commoditization of indigenous cultural values and the unforeseeable consequences this could have on ethnic identities.

22. For example, one such conflict regarded how the Cotacachi–Cayapas Ecological Reserve was to be administered. This caused a rift between UNORCAC and the mayor that is yet to be resolved, almost eight years after it began (cfr. Campana & García, 2000).

23. See Footnote 14.

24. In the survey taken in Cotacachi, 33% reported that they were members of an "organized group," information that is not reliable. Apparently, interviewees in the Andean region do not consider their "community" (or town council) to be an "organized group," so there is an underestimation of the actual level of organization. In

Intag, most of those who claimed to be members of an organization participate in sports teams. See Ortiz (2004, p. 91).

25. "Espacios de concertación" in Spanish.

26. This on the grounds that clientelism would target parishes with more potential votes. This analysis was conducted with the support of José Egas and staff of the provincial government, in particular those of the Directorate of Public Works. For budget data, we also drew heavily on Vinueza and Miranda (2005). For further discussion of the data, see Ospina *et al.* (2006, pp. 115–118 and 82–90).

27. The interviews with César Umajinga and Antonio Llumitásig (Latacunga, in Corral & Corral, 2005) are full of examples of people's demands for small and immediate works rather than development "programs." Perhaps with excessive optimism, Landa (2004, p. 91) believes that this is an indication of the quest for "social democracy" in the communities, in other words, a democracy that involves not only participation but also redistribution as well.

28. Refer to document 1.8 in the references.

29. See document 1.11 in the references.

30. Another part of the research for this study conducted a comprehensive analysis of 25 indicators for the more than 1,500 parishes in Ecuador between 1990 and 2001, and concluded that these inequalities were on the rise (Larrea Maldonado, 2006, p. 141).

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REMARKS BY PARTICIPANTS

Document 1.1 Participation in the meeting of the Technical Environmental Committee of Cotopaxi, Latacunga, 21 March 2005.

Document 1.2 Participation in the meeting of the Technical Environmental Committee of Cotopaxi, Latacunga, 6 April 2005.

Document 1.3 Participation in the meeting of the Development and Management Committee of Cotacachi, 13 May 2005.

Document 1.4 Attendance at the Popular Assembly of Cotopaxi, Municipality of Latacunga and the Camilo Gallegos Domínguez Sports Colliseum, 2 May 2005.

Document 1.5 Participation in the meeting of the organizing committee for the Second Convention on the Environment of Cotopaxi, Latacunga, 23/05/2005 (Cotopaxi Provincial Council).
Document 1.6 Participation in the MICC workshop to evaluate the movement's participation in elections: Patután, Saquisilí, 16 and 17 June 2005.
Document 1.7 Participation in the "Cotopaxi en Minga" workshop, Second Convention on the Environment of Cotopaxi, Latacunga, 21 and 22 July 2005.
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Document 1.9 Participation at the "X Asamblea de Unidad Cantonal de Cotacachi" (Tenth Assembly of County Unity of Cotacachi), 7 and 8 October 2005. Cotacachi (several workshops).
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Document 1.11 Participation at the MICC Congress, July 2005.
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