

**FOR THE PEOPLE, WITHOUT THE PEOPLE  
DECENTRALIZATION AND GOVERNANCE IN BOGOTÁ, COLOMBIA**

by

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Para Bogotá y ciudades semejantes

## **ABSTRACT**

### **FOR THE PEOPLE, WITHOUT THE PEOPLE DECENTRALIZATION AND GOVERNANCE IN BOGOTÁ, COLOMBIA**

María Victoria Whittingham Munevar

University of Pittsburgh, 2006

Cities are the distinctive space for humanity. At the end of the twenty first century, more people will live in urban areas of the developing world than are alive on the planet today. By the year 2020, more than 80 percent of Latin America's population will be living in cities, adding significant pressure to already very unstable systems. The tensions resulting from the contradictions between the values of modernity and the practice of exclusion prevailing in the region have been identified as major threats to its political stability and economic development. In order to contribute to the search for appropriate solutions to the aforementioned problems, this dissertation addresses the relationship between decentralization and governance. A comparative political analysis of the process and impacts of implementing a decentralization reform in Bogotá, the capital of Colombia is presented. Three critical variables of good governance are assessed: participation, equity, and efficiency. Decentralizing reforms marked the political life of the region in the latest years of the twentieth century and the awakening of the new millennium; it was a policy championed by all sides of the political spectrum as the appropriate strategy for enhancing democracy and inclusion, and ultimately in good governance. Good governance refers to the capacity of a social and political system to create the minimum consensus required to organize and act based on a collective will. Evidence provided by this study shows puzzling results. There has been definite improvement in democratic governance, which cannot necessarily be attributed to decentralization, as decentralization in Bogota was not a systematic process of public policy implementation and presented many contradictions and inconsistencies. Nevertheless, this case also indicates that, despite limitations and contradictions, change may occur in an unsystematic manner; but also that increasing the constituents' aspirations without providing the means to fulfill them may widen the gap between the citizens and the government. Previous and new forms of governance coexist in tension and the success or failure of the reform in the future depends, fundamentally, on how the system incorporates them. This study is a contribution to the literature on both decentralization and governance.

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## Acronyms and Abbreviations

AD-M19	Alianza Democrática- Movimiento 19 de Abril (Democratic Allegiance - Movement April 19th)
CELADE	Centro Latinoamericano de Demografía (Latin American and Caribbean Demographic Centre)
CEPAL	Comisión Económica para América Latina y el Caribe
CLAD	Latin America Center of Management for Development public administration
CODHES	Consultoría para los Derechos Humanos y el Desplazamiento (Consult Office for Human Rights and Displacement), Colombia.
CORPOSUR	Corporación Servicios Urbanos de Desarrollo
CPDIA	Consulta Permanente para los Desplazados Internos en las Américas (Open Forum for internally displaced in the Americas)
D.C	Distrito Capital (Capital District)
D.E.	Distrito Especial (Especial District)
DABS	Departamento Administrativo de Bienestar Social (Social and Services Welfare Department)
DAMA	Departamento Administrativo del Medio Ambiente (environmental department)
DANE	Departamento Administrativo Nacional de Estadística (statistics authority, Colombia)
DAPD	Departamento Administrativo de Planeación Distrital (Bogotá's Planning Department)
EAAB	Empresa de Acueducto y Alcantarillado de Bogotá Bogotá's water and sewage public Company)
EAP	Economic Active Population
ECLAC	Economic Commission for Latin America and the Caribbean
ENH	Encuesta Nacional de Hogares (Colombian National Census)
FARC	Fuerzas Armadas Revolucionarias de Colombia (Colombian Revolutionary Army)
GDP	Growth Domestic Product
GNP	Gross National Product
HABITAT	United Nations Centre for Human Settlements
HDI	Human Development Index
IADB	Inter-American Development Bank
IDP	Internal Displaced Population
IDRD	Instituto Distrital de Recreación y Deporte (Bogotá's recreation and sports institute)
ILCG	Instituto Luís Carlos Galán para el Desarrollo de la Democracia
ILO	International Labor Organization

ILPES	Instituto Latinoamericano y del Caribe de Planificación Económica y Social (Latin American and Caribbean Institute of Social and Economic Planning)
IOM	International Organization for Migration
JAL	Junta Administrativa Local (Local Administrative Board)
LI	Indigence Line
LP	Línea de Pobreza (Poverty Line)
NDP	National Department of Planning, Colombia
NBI-	Necesidades Básicas Insatisfechas
OECD	Organization for Economic Co-operation and Development
OHCHR	Office of the United Nations High Commissioner on Human Rights
OIT	Organización Internacional del Trabajo
PIB	Producto Interno Bruto (Growth Domestic Product)
PL	Poverty Line
PNUMA	Programa de Naciones Unidas para Medio ambiente (Union Nations Environment Programme)
PUJ	Pontificia Universidad Javeriana
SELA	Sistema Económico Latinoamericano (Latin American Economic System)
SDS	Secretaría de Salud del Distrito (City's Health Secretariat)
SHD	Secretaría de Hacienda del Distrito
SIPRI	Stockholm International Peace Research Institute
SISDEO	National Department of Planning Social Indicators System
SISBEN	Sistema de Selección de Beneficiarios para Programas Sociales (Social programs beneficiaries selection system)
SISDES	Sistema de Información de Hogares Desplazados por Violencia (Information system on displaced households)
TD	Desempleo total (Total Unemployment)
TGP	Total Global Participation rate
TO	Total de Ocupados (Total Employment)
UBN	Unsatisfied Basic Needs
UN	United Nations
UNCHR	United Nations High Commissioner for Refugees
UNCHS	United Nations Center for Human Settlements
UNDP	United Nations Development Programme
UN-ESCAP	UN- Economic and Social Commission for Asian and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
USCR	The U.S Committee for Refugees
WAP	Working Age Population

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## **PART I**



## **EXPLORING THE TERRAIN**

---

## **1.0 INTRODUCTION**

### **CITIES AND GOVERNANCE IN THE URBAN MILLENNIUM**

*“The cities, with million of inhabitants, are unique to the current age and the most complex products of collective human creativity.”*

Gilbert et al. (1996, p.13)

Bogotá, the capital of Colombia, is the chosen locus for this study. It is a fragmented city, spatially and in its representation. Modern spaces resembling suburban areas of industrialized metropolis coexist with pre-modern rural areas lacking minimum conditions of health, housing and sanitation (Rojas 2002). This dissertation addresses the relation between decentralization and governance, two topics that have marked the political life of the region in the latest years of the twentieth century and the awakening of the new millennium. The aim is to contribute to the quest for good governance and democracy.

Cities are the distinctive space for humanity in the twenty first century. Looking ahead to the end of the century, more people will be crowded into the urban areas of the developing world than are alive on the planet today. Undoubtedly, this is meant to be the urban millennium (HABITAT 2001). Nowhere is this statement more noticeable than in Latin America, which has experienced the fastest urbanization of the developing areas in the world.

Between 1950 and 1990, Latin America went from being predominantly rural to predominantly urban. By 2001, Latin America's population was 75 percent urban and most of the world's 100 largest cities were housed there. By the year 2020, 81 percent of Latin America's projected 665 million people (539 million) will live in cities (UN-HABITAT 1996; HABITAT 2001a).

Latin America's urbanization has been characterized by poorly ordered cities in which economic growth has not ensured an equitable increase in the quality of life of their populations. Data from the United Nations Economic Council for Latin America and the World Bank shows that the absolute number of urban poor in the region increased from 44 to 126 million in the last



20 years (Morley 2001; World Bank 2000). Moreover, Latin America has the highest level of inequality in the world (HABITAT 1997; HABITAT 2001). Many of the region's prevalent problems are reflected by Latin America's administrative systems: persistent dependence, the perpetuation of rigid and particularistic social structures, chronic economic vulnerability, weak and unstable growth, social marginalization, low institutionalization and acute social polarization (Peters and Pierre 2003, pp.531-532)

The contradictions between the values of modernity, prevalent in the region's political discourse, particularly in cities, and the practice of exclusion, create profound tensions that have been identified as major threats to the region's political stability, and its social and economic development (Carrillo-Flórez and Binetti 2004; O'Donnell 1996; Ippolito-O'Donnell and Markovitz 1996). In Latin America, the quest for good governance must include the enhancement of democracy. Creating a discourse that is consistent with actions will ultimately create inclusive environments.

Recognizing the central, and increasingly complex, role that cities play in development in response to the increasing number of urban poor, the United Nations Human Settlements Program, UN-HABITAT, launched the Global Campaign on *Urban Governance* in 1999. The campaign aggregates and supports worldwide initiatives aimed at improving governance as a means to achieve sustainable development. A previous UN-HABITAT report stated:

*Making full use of the potential that cities have to offer requires good governance* (UN-HABITAT 1996, p.240).

The campaign summarizes many initiatives that are based on the assumption that good governance will bring necessary economic and social gains to cities, particularly of the developing world (Satterthwaite 1999). Because it is at the local level that citizens are closer to government, improving local systems of governance should strengthen and enhance democracy (Restrepo Botero 1992).

The relationship between democracy and good governance is somewhat circular. It is claimed that good governance improves democracy, and likewise, that principles of democracy build good governance<sup>1</sup>. The relationship between good governance and decentralization is a

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<sup>1</sup> To the extent that the concept of good governance is used, in literature and in practice, as interchangeable with the concept of democratic governance (see for example, Jewson and MacGregor 1997, Institute on Governance 1998, 1999, 2000; Fukasaku and Hausmann 1998; Rodríguez and Winchester 1997; Domínguez and Lowenthal 1996).

derivation of the previous argument. As it is commonly argued that decentralization is key to democracy, it must also enhance good governance.

Decentralization reforms marked the last three decades of the twentieth century for countries in the east and the west, the north and the south. Arguments for decentralization came from a diverse range of constituents (Manor 1999; Stren 2001). Neo-liberals viewed decentralization as a means of reducing the state's intervention on private business (Udehn 1996; Buchanan and Tollison 1984; Buchanan, Rowley, and Tollison 1987; Buchanan and Musgrave 1999; Buchanan 1988, 1986; Angell, Lowden, and Thorp 2001). Those in search for equity, and disappointed by the performance of the state in securing a fair distribution of wealth, saw decentralization as a possibility for re-distributing power (López-Murphy 1995; Litvack, Ahmad, and Bird 1998).

Many condemned the centralized government for impotence and waste, and identified corruption, clientelism and political alienation as natural by-products of a distant bureaucracy. This line of reason also advocated the decentralization of political authority and public resources to sub-national levels of government as a general cure for these ills (Faguet 1997, p.2). Finally, many international organizations claimed that decentralization was the solution for filling the gap and finally achieving both growth and development (Reilly 1995; Escobar and Alvarez 1992; Cochrane 1983). By the early 1990s, most countries were engaged in decentralization reforms (Stren 2001; Freire and Stren 2001).

Decentralization entailed the emergence of new mechanisms of organizing and representing various interests. In consequence, a new set of definitions of what is public and what emerged to encompass these new arrangements (UNESCO-MOST 2002). Undoubtedly, decentralization has greatly impacted the systems of governance, which include governments and state agencies on the one hand, and communities and social groups on the other (Stren and Bell 1994).

What is not so clear is the significance of these impacts and the reasons underlying the differences and similarities of in the outcomes of the reform. Despite the fact that many studies have been conducted to evaluate the results of decentralization reforms, not necessarily regarding governance, the debate is very much alive (CEPAL and PNUMA 2001). For once, many claim that there is not enough empirical evidence to show that decentralization enhances democratic governance. On the other hand, important questions regarding the positive impact of decentralization on good governance have been raised (CLAD 2000, 1998; Dethier 2000).

The literature and research review reveal that further exploration of three elements might be critical for understanding impacts and limitations of the decentralization reforms in regards to (good) governance:

1. Pre-existing conditions of governance and how they affect the implementation of decentralization; for example it is not the same to implement a decentralization reform in a newly democracy than in a consolidated federal republic.
2. The level of governance in which decentralization is implemented; for example, it is different to decentralize from the national to the regional or local level, that within a local unit of governance.
3. The process of implementation itself; each context demands accommodations and flexibility from the original recipe in order to succeed. By analyzing the implementation process, it is possible to understand and learn from differences in impacts and results of the reform in every different context.

This study aims to contribute to this debate by presenting a comparative political analysis of the process and impacts of implementing a decentralization reform in Bogotá, the capital of Colombia. By examining the process of implementation, we can unveil the complex dynamics of change, for it is in the field that prescriptions and theories are refined and corrected. The study also compares the structure and performance of the system of governance before and after the decentralization reform, in regards to three key variables: participation, equity and efficiency.

Of all the Latin American countries, Colombia is one of the most intriguing for outsiders as well as insiders. Its politics, economy and cultural characteristics are somehow difficult to fit in known categories. David Bushnell, an American historian, claims that Colombia's political history is very attractive, as it deviates from the models used in discussions of Latin America (Bushnell 1993, p. viii). Harvey Kline, an American political scientist, has written on the contradiction between the country's apparent political stability and the prevalence of political violence (Kline 1999, 1995, 1994). John Williamson, a researcher from the Institute for International Economics, concluded that Colombia was the most atypical of all the countries analyzed in a 13 countries comparative study (Williamson 1994).

Estanilao Zuleta, a Colombian philosopher, psychologist, and political thinker, mentioned that if one thinks of the permanent violence that the country has endured for more than fifty years, as well as in its political and economic performance, one might conclude that the country represents an unsolvable puzzle (Zuleta 1991). Maybe the most important political milestone of the late twentieth century was the endorsement of a New Constitution in 1991, after a quite interesting political process. The New Constitution aimed at heartening a more democratic and inclusive nation.

The new constitutional charter had particular provisions for Bogotá, including major goals regarding decentralization. In 1993, following the constitutional mandate, a new statute for the city was approved and a new tier of governance was introduced, the *Juntas Administradoras Locales*-JAL (Local Administrative Boards). This accompanied major changes in the political and programmatic roles of the *alcaldes locales* (local mayors).

Bogotá may well be a puzzle within a puzzle; many believe that Bogotá is the most successful example of decentralization in the country (see, Rojas 2002, p.28; DNP 2002, p.39). Many say it is the only one, and others that the process did not start at all (Jiménez Benítez 2001; Moreno Ospina 1997)<sup>2</sup>. What is certain is that Bogotá was the first case of decentralization within a city, and that, as mentioned by Pedro Santana, a Colombian researcher, the city is a microcosm of the political and administrative challenges affecting all of Colombia's cities (Santana R. 1997). An additional characteristic of Bogotá is that it has not been affected by the country's violence to the same extent than any other city; therefore, violence is not a determinant factor in this study, which could threaten its generalizability.

The case of Bogotá is an interesting story of political and structural change that provides empirical evidence for literature concerning (good) governance and decentralization. Overall, Bogotá is a city of the twentieth-first century that illustrates the complex challenges faced by most cities, particularly in the developing world.

The main questions for this study are:

- What is the story of the process of implementing decentralization and what are the lessons to be learned from it?

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<sup>2</sup> This argument was also mentioned in the interviews conducted for this study, and in public debates regarding decentralization. For more on the debates visit: [www.univerciudad.net](http://www.univerciudad.net)

- What is the impact of decentralization on the governance of the city:
  - Is it more participative?
  - Is it more inclusive?
  - Is it more efficient?
- Has decentralization enhanced the city's institutions?
- What has changed, and why or why not?

In order to answer these questions, a combination of qualitative and quantitative research strategies were used. A compilation of existing documents regarding the process and the data required was conducted. Thirty one interviews with key informants were recorded. The study also includes a time series analyses of the last two decades that examines five indicators for each of the three variables: participation, equity, and efficiency.

The main findings are:

- Decentralization has not been a systematic and consistent process of public policy implementation; it is difficult to precisely conclude whether these changes could be attributed to it.
- Previous and new forms of governance coexist in tension, and the success or failure of the reform has a lot to do with how the system incorporates pieces of both.
- Pre-existing social and political conditions were often ignored, which deeply influenced the results of the reform. For the same reason, the social capital accumulated in pre-existing forms of organization and participation could be lost if unrecognized.
- This case provides evidence supporting the claim that the level and size of the political space in which decentralization's policies are implemented is an important element to consider. Cities might be use and studies as laboratories for democracy.
- There are significant and interesting adjustments in Bogotá's system of governance, though their sustainability is unclear. It is unclear whether pre-

existent political institutions will absorb the adjustments, or if the system will remain open to new players and new rules.

- Citizens perceived decentralization as a positive element toward democratization and inclusion, regardless of how this is contrary to empirical evidence. The promises of a government more accessible, closer to its constituencies, and a more equitable distribution of power were able to convince the citizens of decentralization's virtues, at least for now.
- Citizens are more politically active than before, and surveys show that they trust more in the government. Nevertheless, their activism has not yet produced real changes in the political arena.

This study is presented in three parts. Part one defines the practical terrain in which this study took place, including a general introduction exploring the regional context in chapter 2.0 Latin America, and the national context in chapter 3.0 Colombia. This introduction aims helping the reader to understand the problems motivating this study and its design. Chapter 4.0 presents a general introduction to Bogotá, the chosen arena for the field work.

Part two presents the conceptual boundaries of the study. Chapter 5.0 reviews relevant literature and research on the main concepts of this study: the relationships between decentralization and governance. Chapter 6.0 presents the research design and methodology.

Part three presents the results of the study. Chapter 7.0 tells the story of the process of implementing decentralization and its complexity. Chapter 8.0 presents the comparison of the system of governance before and after the decentralization reform based on three variables, participation, equity and efficiency. Finally, chapter 9.0 presents the conclusions, any unanswered or raised questions, and some recommendations for Bogotá, and ideally any other city in the developing world, to possibly use for enhancing good governance.

This study is a contribution to both the literatures on decentralization and governance. The dream beneath is a Latin America free of poverty and inequality.

## 2.0 THE REGIONAL CONTEXT: LATIN AMERICA

*“The administrative reform may be a world trend, yet its circumstances, outcomes and effects are region and country specific and are conditioned by the current pattern, as well as legacy, of state society relations.”*

J. Nef (1995)

Bogotá is a complex and interesting case for illustrating the pressures and challenges faced by all cities in Latin America and possibly in the third world. But, it also illustrates the relevance of the particular context in which any new policy is introduced. To understand how the particular case of Bogotá relates to the regional trends, and how it contributes to the understanding of common problems, one must review and understand the major challenges that have affected Latin America in the late twentieth century.

Three interconnected elements explain, to some extent, those challenges, and lie underneath the promotion of decentralization and the quest for good governance in the region:

1. The characteristics and causes of the process of urbanization;
2. The regional level of poverty and inequality; and
3. The political and economic changes that occurred, or began, during these decades.

## 2.1 URBANIZATION

The region's pattern of urbanization has been characterized by pronounced urban primacy<sup>3</sup>: urban primacy is a situation in which one city, usually the capital, houses a large percentage of the national population, has by far the best services infrastructure, serves as the financial,

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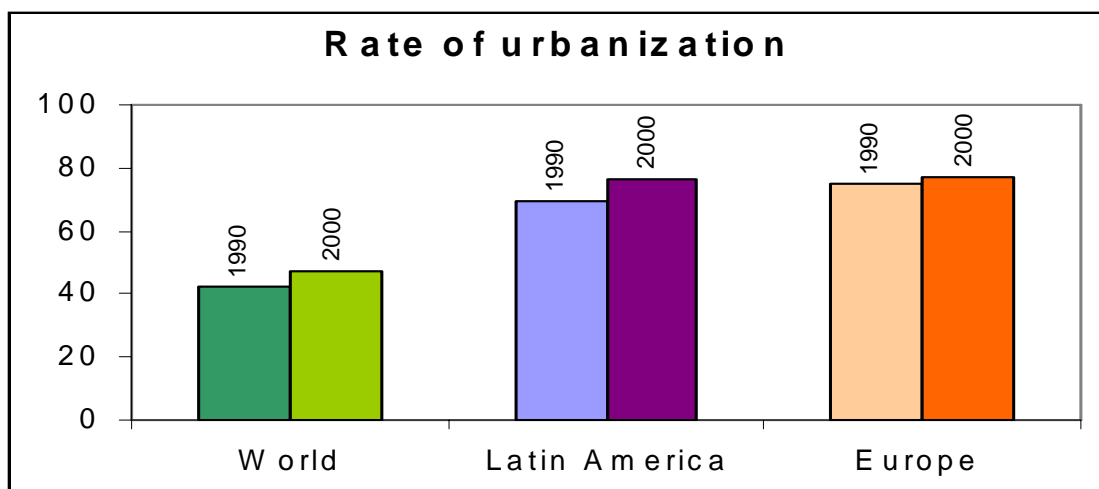
<sup>3</sup> Urban primacy is usually measured by the primacy index, which is the ratio of the population of the largest city to the total urban population of the country Mohan, 1994:38.

industrial and commercial center, and dwarfs the nation's next largest urban place (Greenfield 1994, p. xv). According to Greenfield, despite the fact that contemporary Latin American cities have a more powerful and organized working class and an expanding middle class, they remain the site of massive inequality and jarring contrasts between rich and poor (Greenfield 1994, p. xvi).

The concentration of power during colonial times in a main city, the amazing distance between rural and urban development, and achievements in demographic indicators explain to a certain extent the level of urbanization in the region. Of all the regions in the world, Latin America experienced the fastest process of urbanization in world history; it went from being predominantly rural to predominantly urban between 1950 and 1990.

By 1965, eight out of sixteen countries had already crossed the urban threshold (50% of the total population in cities): Argentina, Brazil, Chile, Colombia, Mexico, Peru, Uruguay and Venezuela. At the end of the 1980s, all but Costa Rica, El Salvador, Guatemala and Honduras had crossed the rural-urban divide. By 1990, most countries with more than a million inhabitants had more than half their population living in urban areas.

By 2001, Latin America's population was 75 percent urban, and was home to most of the world's 100 largest cities. By the year 2020, 81 percent of its projected total population (539 million of 665 million) will live in cities (UN-HABITAT 1996; HABITAT 2001). Figure 1 compares the urbanization rates of Latin America, Europe, and the world.



Source: regional fact sheet from the World Development Indicators 2005.

**Figure 1: Rate of urbanization in the World's regions**



Natural growth and internal migrations are central elements for understanding the pace of Latin America's urbanization, while foreign migration accounts as a major element only for few countries in the region. From the first wave of foreign migrants, mostly Europeans, that occurred between 1870 and 1913, Argentina was the country that received the biggest share, followed by Uruguay, Cuba, Mexico and Chile. The second wave of immigrants started around 1950. Argentina again received the most immigrants. Since 1970 there has not been a significant foreign migration to Latin America (Solimano 2003).

Regarding natural growth, the region's life expectancy improved from 52 to 70 years in the second half of the twentieth century (Chackiel 2000, p.12). Additionally, between 1950 and 2005, the average population natural growth rate in Latin America has grown an estimated 23.1 percent per year. It is projected that the urban population will grow 77 million in the first decade of the twentieth first century (Jordán F and Simioni 1998, p.40).

Table 1 presents total population growth, including natural increase and foreign migration, from 1950 to 2005 (projected).

**Table 1: Latin America: natural population growth and foreign migration  
1950-2005**

Quinquennia 1950-2005											
<b>Demographic indicators</b>	<b>1950-1955</b>	<b>1955-1960</b>	<b>1960-1965</b>	<b>1965-1970</b>	<b>1970-1975</b>	<b>1975-1980</b>	<b>1980-1985</b>	<b>1985-1990</b>	<b>1990-1995</b>	<b>1995-2000</b>	<b>2000-2005</b>
<b>Natural increase</b>											
<i>Annual increase (in thousands)</i>	4,542	5,446	6,469	7,006	7,558	8,163	8,346	8,455	8,390	8,274	8,107
<i>Natural growth rate (per thousand)</i>	26.4	27.6	28.6	27.0	25.7	24.6	22.5	20.6	18.7	16.9	15.4
<b>Foreign migration</b>											
<i>Annual migration (in thousands)</i>	98	-60	-172	-231	-244	-364	-554	-587	-553	-465	-430
<i>Migration rate (per thousand)</i>	0.6	-0.3	-0.8	-0.9	-0.8	-1.1	-1.5	-1.4	-1.2	-1.0	-0.8
<b>Total increase</b>											
<i>Annual increase (in thousands)</i>	4,640	5,386	6,297	6,775	7,314	7,799	7,791	7,868	7,837	7,809	7,677
<i>Total growth rate (per thousand)</i>	27.0	27.3	27.8	26.2	24.9	23.5	21.0	19.2	17.4	16.0	14.6

Table built with 2003 data from the ECLAC-CELADE website: <http://www.cepal.org/estadisticas/>

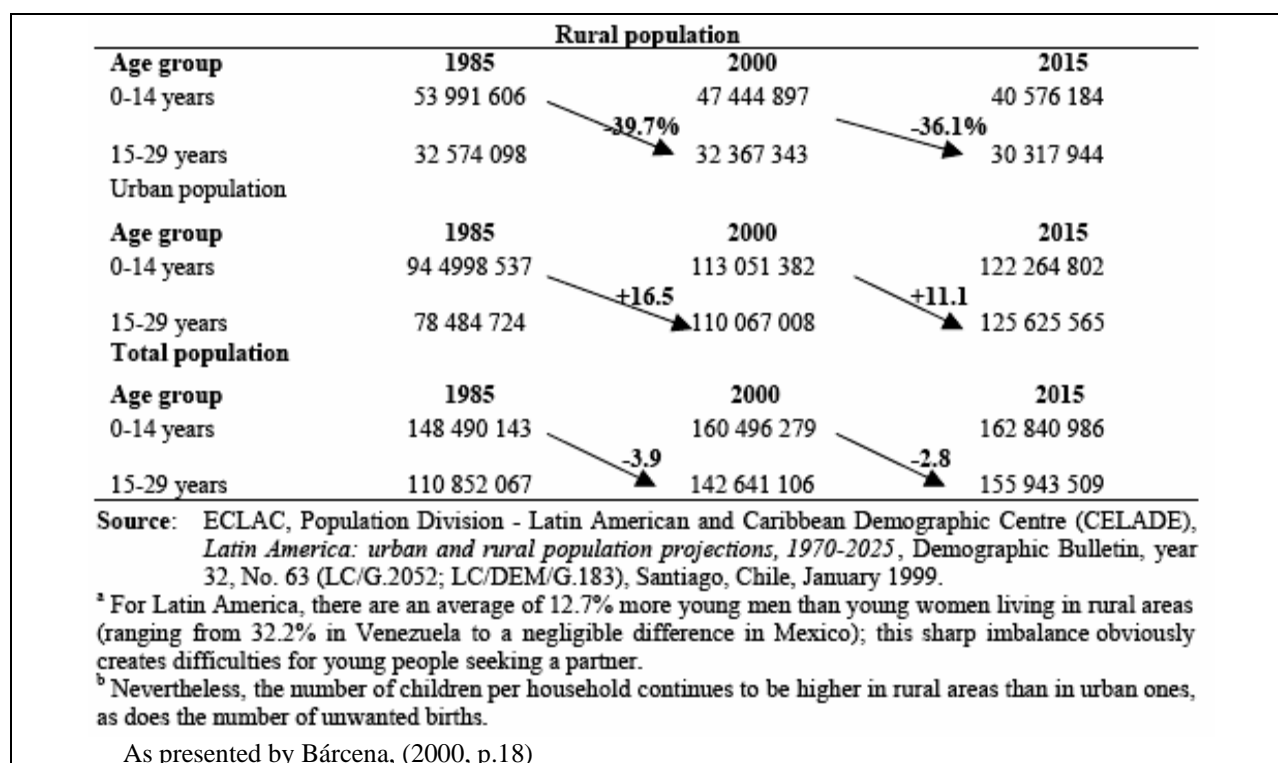
The flow of population moving from rural to urban areas was, and still is, a major cause of the reduction of the population in rural areas. It is estimated that in the last 15 years of the twentieth century, 15.5 million rural youths (aged 15 to 29) enlarged the population of Latin

America's cities by 16.5%, while the young rural population has got smaller by nearly one third during the same period (Bárcena 2000, p.18). Table 2 and Figure 2 illustrate this regional trend.

**Table 2: Rural-urban migration trends by gender, in six Latin American countries**

Percentage of urban population growth accounted for by migration or reclassification, by sex		
Country and reference period	Female	Male
Brazil, 1980-1990	42.7 %	41.2 %
Brazil, 1990-1995	34.5 %	33.1 %
Chile, 1982-1992	10.7 %	7.6 %
Guatemala, 1984-1994	44.3 %	43.0 %
Mexico, 1980-1990	33.9 %	33.9 %
Mexico, 1990-1995	24.4 %	24.0 %
Nicaragua, 1985-1995	31.4 %	28.0 %
Uruguay 1986-1996	32.1 %	36.4 %

Source: ECLAC, on the basis of official census data, as presented by Bárcena (2000, p.17).



**Figure 2: Latin America's Youth migration**

The speed of urban growth in Latin America is no doubt very impressive, and rural-urban migrations are the major element for explaining it. One of the main reasons for people moving from the rural to the urban areas relates to the level of inequality in land tenure in Latin America. As rural populations grew, the majority did not have access to the land or the means to secure the survival of a growing family. In addition, political violence increased the urban exodus in certain areas of the continent (Castells and Solares Serrano 1988; Castells 1973; Panadero Moya 1988; Gilbert 1994; Greenfield 1994; Morley 2001).

Cities, on the other hand, were developing and concentrating the economy. Both the centralized manufacturing industry and the growing public sector became major employers, promoting major migratory currents from rural areas (Jordán F and Simioni 1998). Cities were attractive destinations and undoubtedly, rural-urban migration in the twentieth century reduced the pressure in the countryside. Table 3 presents the region's percentage population growth for rural and urban areas, illustrating the fast pace of urbanization in the region.

**Table 3: Latin America: Urban/Rural Population, estimated and projected**

<b>By 5 years</b>	<b>1970</b>	<b>1975</b>	<b>1980</b>	<b>1985</b>	<b>1990</b>	<b>1995</b>	<b>2000</b>	<b>2005</b>
Total Rural pop.	117,588,906	120,674,002	122,140,361	124,133,742	124,550,642	125,065,194	125,447,231	125,866,590
Total Urban pop.	158,557,764	192,025,864	229,535,370	266,466,938	305,361,022	344,011,038	382,658,878	420,609,015
Urban growth %	57.4	61.4	65.3	68.2	71.0	73.3	75.3	77.0

Source: Table built with data from the ECLAC-CELADE website: <http://www.cepal.org/estadisticas/>

Nevertheless, the fast pace of urbanization and the reasons underlying it brought the cities new and pending challenges. The quantity of people arriving challenged cities to incorporate the newcomers into the productive system. In addition, and far more important, given that most of the in-migrants were unskilled and already poor peasants, poverty and inequality were 'urbanized.' Cities gave birth to a new category of citizens; "los marginales," those who live in the margins, in literal and figurative terms (Castells 1973; Castells and Solares Serrano 1988; Castells 1974; Panadero Moya 1988; Gilbert 1994; Greenfield 1994; CEPAL and PNUMA 2001; Morley 2001).

## **2.2 POVERTY AND INEQUALITY**

Poverty in Latin America is a structural phenomenon that affects close to 250 million people and is aggravated by the high level of inequality in the region, as well as by the fact that poverty is not a direct result of the lack of economic growth (Carrillo-Flórez and Binetti 2004; HABITAT 2001). This last phenomenon is what puzzles observers. Poverty has not been reduced although Latin America has had significant economic growth for most of the twentieth century.

Between 1950 and 1980, Latin America had considerable economic accomplishments. Per capita income grew at an average of 2.7 percent per year, and the accumulation of capital averaged over 6 percent per year (Ippolito-O'Donnell and Markovitz 1996, p.1). Later, the economic recession of the 1980s, known as the oil crisis in the north and as the debt crisis in the south, deeply affected the region further increasing inequality, and, even more, poverty (Ippolito-O'Donnell and Markovitz 1996). During the 1990s, Latin America experienced a new surge of growth. GDP grew at a higher rate than it had during the previous decade; 3.2% per year between 1990 and 2000, compared with 1% during the 1980s (Bárcena 2000, p.35).

Despite changes in economic performance, inequality has been a stable phenomenon in Latin America in times of prosperity and in times of crisis. Before the debt crisis, the region already had the most inequitable income distribution and the highest level of poverty relative to its income of any area in the world (Morley 1995:vii). It appears that the issue is not necessarily the availability of resources, but the unequal distribution of them. As established by several studies, the prevalence of poverty is related more with exclusion than with the absence of resources (Lustig and Deutsch 1998; Cárdenas S. and Lustig 1999; Burki, Aiyer, and Hommes 1998; United States 1991; United States 1996, 1999; Deininger and Squire 2002).

In 1995, Lopez-Murphy stated that, due to the persistence of inequality, had Latin America reached the levels of macroeconomic stability achieved by industrial economies, roughly 25 percent of poor people in the region would have been lifted out of poverty (López-Murphy 1995). In 1998, Lustig and Deutsch established that the value of transfers needed to eradicate extreme poverty immediately would be, for the majority of countries, between 0.5% and 1% of GDP. They concluded that what was actually needed in the region was not economic resources but the political will to overcome poverty (Lustig and Deutsch 1998). In the year 2000, Attanasio

and Szekely established that if there were a more equitable distribution of income, poverty would not be so prevalent in Latin America (Attanasio and Székely 2000).

## 2.2.1 Poverty

The region has had an endemic presence of poverty for most of the twentieth century; in the 1990s, its levels of poverty were higher than in the early 1970s or during the debt crisis of the 1980s<sup>4</sup>. In 1969, a World Bank study estimated that 11 percent of Latin America's population lived under the poverty line of \$50 dollars income per year (Morley 1995, p.4). In 1980, 35% of households were in a state of poverty. In other words, 35 of every 100 households in the region lacked the resources to meet their basic needs, while 14 could not even afford a basic food basket (ECLAC 2002; United Nations 2002). That proportion rose to 41% in 1990, and in 1994 the figure was still as high as 39% (Ocampo 1998, p.1). By 1999, the number of people living in poverty increased to more than 211 million; and, according to ECLAC, it is estimated that by the year 2002, they were 224 million poor in Latin America (Ocampo and Martin 2003, p.231). Table 4 and figure 3 illustrate this trend.

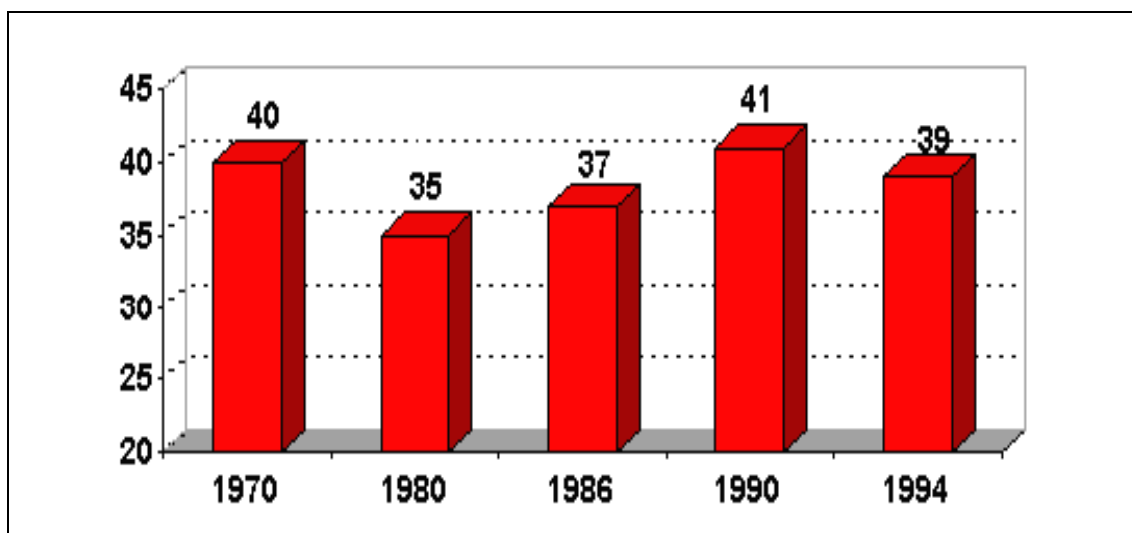
**Table 4: Latin America poverty and indigence, 1980-2002**

	Percentage of Population					
	Poor (PL) <sup>5</sup>			Indigent (bellow PL)		
Years	National	Urban	Rural	National	Urban	Rural
1980	40.5	29.8	59.9	18.6	10.6	32.7
1986	43.3	35.5	59.9	20.7	13.5	36.0
1990	48.3	41.4	65.4	22.5	15.3	40.4
1994	45.7	38.7	65.1	20.8	13.6	40.8
1997	43.5	36.5	63.0	19.0	12.3	37.6
1999	43.8	37.1	63.7	18.5	11.9	38.3
2000	42.5	35.9	62.5	18.1	11.7	37.8
2001	43.2	37.0	62.3	18.5	12.2	38.0
2002	44.0	38.4	61.8	19.4	13.5	37.9

Source: ECLAC- Statistical and Economic Division.

<sup>4</sup> Although the available data shows inconsistencies, the differences are not significant to question this statement.

<sup>5</sup> According to ECLAC, poverty lines represent the minimum income required for members of a household to meet their basic needs; they are estimated from the cost of a basic food basket plus the estimated amount of resources required by households to meet their basic non-food needs. The indigence line represents the cost of the food basket; people who are indigent (or extremely poor) are those who live in households whose incomes are so low that even if they spent all their money on food, they would not be able to meet the nutritional needs of all their members (ECLAC 2002).



Source: José Antonio Ocampo (1998, p.2)

**Figure 3: Percentage of households in state of poverty**

The distribution of Latin America's poor population changed proportionally to urbanization, as more people moved to cities, the number of poor raised as well, a phenomenon referred to as the *urbanization of poverty*. According to data from ECLAC, the number of urban poor increased from 44 to 134 million between 1970 and 1999. By the end of the 1990s, six out of ten poor lived in urban areas (ECLAC-HABITAT 2000; Bárcena 2000). Table 5 presents data that illustrate the urbanization of poverty in the region from 1970 to 1999.

**Table 5: Urbanization of Poverty in Latin America, 1970-1999**

Poor Population	1970	1980	1986	1990	1994	1997	1999
<b>Total</b>	119,800	135,900	170,200	200,200	201,500	204,000	211,400
<b>Urban</b>	44,200	62,900	94,400	121,700	125,900	125,800	134,200
<b>Rural</b>	75,600	73,000	75,800	78,500	75,600	78,200	77,200
<b>Urbanization of poverty</b>	36.9%	46.3%	55.5%	60.8%	62.5%	61.7%	63.5%

Source: CEPAL2000c, and ECLAC-CELADE website: <http://www.cepal.org/estadisticas/>

During this period, socio-spatial segmentation became extremely pronounced in Latin American cities. As high-income groups moved into exclusive residential areas, the poor were driven out of some of the best urban areas. This socio-spatial segmentation has weakened the

traditional integration mechanisms —public education, public health systems, central areas for recreation and culture— that used to exist in Latin America's cities (Bárcena 2000). Additionally, tensions created by inequality grew deeper in cities as more people were exposed to the ideals of progress and modernization that prevail in the urban discourse (ECLAC-HABITAT 2000; Bajraj, Villa, and Rodríguez 2000; Arriagada 2000).

Children and women are the most vulnerable among the poor. Children under 17 endure the most poverty; almost 44 percent of all children, compared to 27.7 percent of adults and 28.6 percent of the elderly, live in poor households. Low educational level and insufficient income of parents, especially mothers, are major determinants of child poverty and provide decisive links in its transmission across generations (Bouillon and Buvinic 2003, p.2).

Children and young people belonging to poor households often have deficient educational environments, begin working at an early age or, in many cases, neither study nor work (United Nations 2002; ECLAC-HABITAT 2000). In the case of women, all the economic indicators, including employment, unemployment, income, property ownership and job positions, show that they are discriminated against. In Latin America, women's incomes are 50% lower than men's (Gálvez 2000). Particularly concerning is the situation of single mothers; in urban settings, poverty is higher among female heads of household (30.4 percent) than among their male counterparts (25 percent) (Bouillon and Buvinic 2003, p.2).

According ECLAC, most of the poor in Latin America:

- do not have access to drinking water;
- live in crowded dwellings where there are more than three persons per room;
- belong to households with a high degree of demographic dependency<sup>6</sup> and low density of employment;
- have a head of household who has completed less than three years of schooling and is often unemployed or underemployed;
- are children and women (United Nations 2002).

Poverty, as illustrated by this description, is not only about income, it is about differences in resources, access to services, vulnerability, power and social status. It is about inequality.

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<sup>6</sup> Refers to the number of dependants per houseld.

### 2.2.2 Inequality

Adding to the depth of the poverty problem, inequality is one of the region's salient and most steady characteristics; the fruits of economic growth in the region have usually gone to those who already have, and too little has trickled down to those in need (Morley 2001). Latin America's unequal income distribution, access to services and power, make it the most unequal region in the world, as measured by the GINI index<sup>7</sup>. In Europe and North America the GINI index is 29 and 36.1 respectively, while in Latin America it averages 51 (De Ferranti 2004). Additionally, a World Bank study showed Latin America to be nearly 10 points more unequal than Asia (Wodon and Ayres 2000).

Table 6 presents a comparison of the Gini index by regions in the world, for four decades, to illustrate the persistence of inequality in the region.

**Table 6: Median GINI Coefficients by Region and Decade**

Region	Decade			
	1960s	1970s	1980s	1990s
Eastern Europe	25.1	24.6	25	28.9
South Asia	36.2	33.9	35	31.9
OECD and high income countries	35	34.8	33.2	33.7
Middle East and North Africa	41.4	41.9	40.5	38
East Asia and Pacific	37.4	39.9	38.7	38.1
Sub-Saharan Africa	49.9	48.2	43.5	46.9
<b>Latin America</b>	<b>53.2</b>	<b>49.1</b>	<b>49.7</b>	<b>49.3</b>

Source: Klaus Deininger and Lyn Squire (2002)

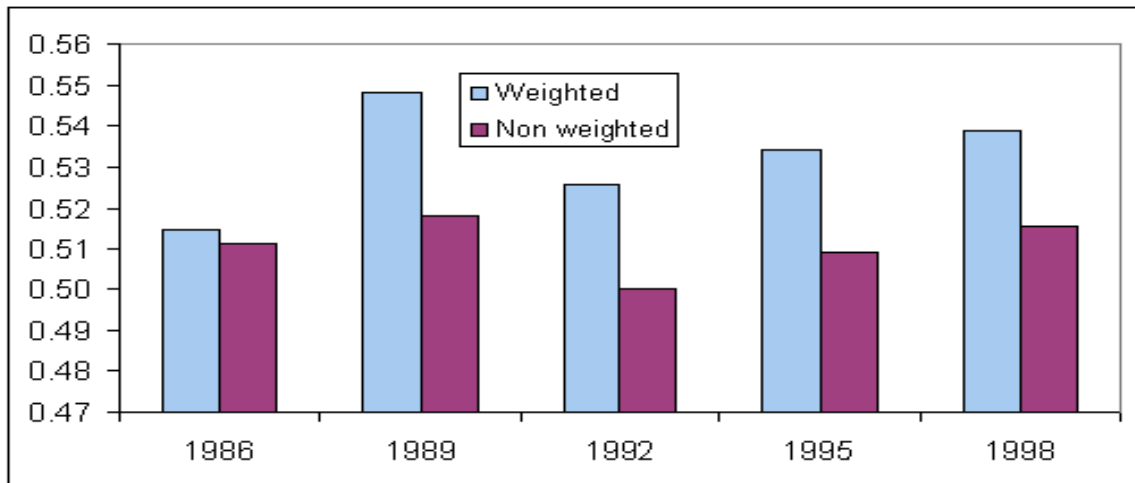
Although the deterioration of income during the 1980s could be attributed to the debt crisis, recent studies estimated that inequality continued throughout the 1990s, despite the region's economic recovery (Cárdenas S. and Lustig 1999; Burki, Aiyer, and Hommes 1998; Deininger and Squire 2002; Londoño and Székely 1997; De Ferranti 2004).

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<sup>7</sup> The GINI index, measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. The scale goes from zero representing perfect equality to 100 representing perfect inequality (World Development Report, 2000:276).



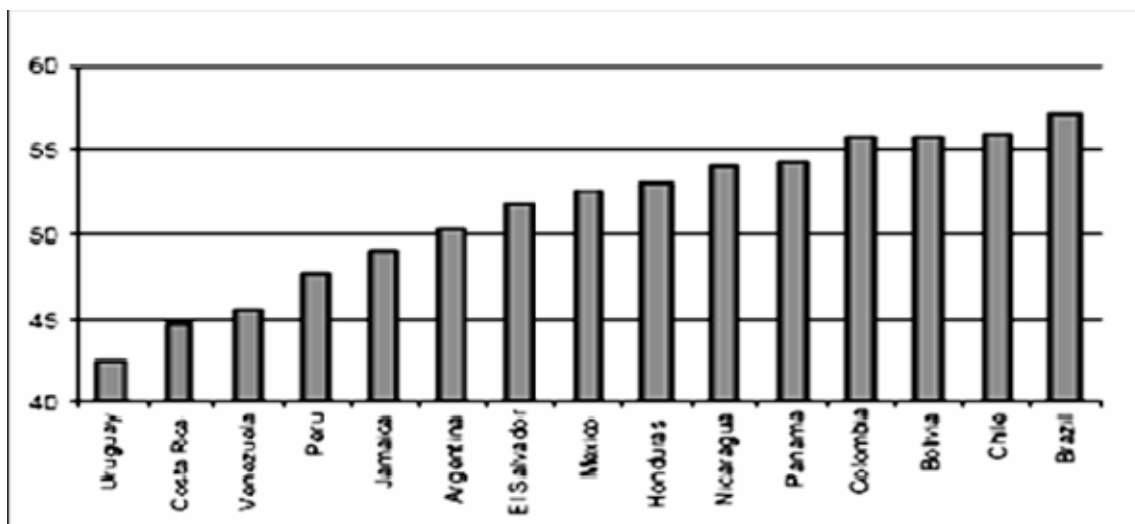
Figure 4 illustrates the average GINI index for thirteen Latin American countries, from 1989 to 1998, which when adjusted by population is over the estimated average of 51 points.



Source: (De Ferranti 2004, ch.2)

**Figure 4: GINI index/per capita income in 13 Latin American countries, 1986-1998**

The GINI index deteriorated during the last twenty years of the twentieth century. Figure 5 illustrates the situation for fifteen countries at the end the 1990's. The consensus is that income distribution stayed about the same, or even worsened after 1990.



Source: De Ferranti, chapter 2:10

**Figure 5: GINI index in 15 countries in Latin America, late 1990s-early 2000s**

According to a recent publication of the World Bank, the richest 10 percent of individuals receive between 40 and 47 percent of the total income in most Latin American societies, while the poorest 20 percent receive only between 2 and 4 percent. Furthermore, it mentions that the most distinctive attribute of Latin American income inequality is the extraordinarily large concentration of income at the very top of the distribution (De Ferranti 2004, p.2). Table 7 illustrates the income distribution of nine countries.

**Table 7: Income distribution gap in nine Latin American countries**

	Year	GINI Index	Share of highest 10% in total income	Share of lowest 20% in total income	Ratio of incomes of 10th to 1st. Decile
<b>Brazil</b>	2001	59.0	47.2%	2.6%	54.4%
<b>Guatemala</b>	2000	58.3	46.8%	2.4%	63.3%
<b>Chile</b>	2000	57.1	47.0%	3.4%	40.6%
<b>Mexico</b>	2000	54.6	43.1%	3.1%	45.0%
<b>Argentina</b>	2000	52.2	38.9%	3.1%	39.1%
<b>Jamaica</b>	1999	52.0	40.1%	3.4%	36.5%
<b>Dominican Republic</b>	1997	49.7	38.6%	4.0%	28.4%
<b>Costa Rica</b>	2000	46.5	34.8%	4.2%	25.1%
<b>Uruguay</b>	2000	44.6	33.5%	4.8%	18.9%

Source: data from table 1 in *"Inequality in Latin America: breaking with history?"* (UNDP 2003)

To provide a better idea about the extent to which income is polarized in Latin America, in a study for the World Bank, Londoño and Székely estimated the average income of the poorest and richest 1% of the population. According to the authors, in 1970, the top percentile earned 363 times more than the lowest percentile. The gap was reduced somewhat during the 1970s, but in the 1980s, the income of the poorest 1% remained stable, while the income of the richest 1% increased by almost 50%. During the 1990s, the gap expanded to such an extent that by 1995 the richest 1% registered an average income 417 times more than the poorest 1% (Londoño and Székely 1997, p.11).

Table 8 presents the income gap from the 1970s to the 1990s.

**Table 8: Income polarization in Latin America**

Subgroup	Year					
	1970	1975	1980	1985	1990	1995
Poorest 1%	\$112	\$170	\$184	\$193	\$180	\$159
Richest 1%	\$40,711	\$46,556	\$43,685	\$54,929	\$64,948	\$66,363
Income Ratio	363	274	237	285	361	417

Source: Londoño and Székely (1997, p.12)

Nevertheless, it is certain that the debt crisis of the 1980s aggravated the problem of poverty and exclusion in the region, as economic changes greatly affected the labor market.

Between 1980 and 1989, the overall gross national product declined by 8.3 percent, and the external debt climbed from \$60,000 million (USD) in 1970 to \$410,000 million in 1987 (Bueno Sánchez, Farah H, and Nápoli 1994; Morley 1995; Halebsky and Harris 1995).<sup>8</sup> As a result, during the 1980s many industries went out of business, the central government was reduced, and the ability of the formal sectors to generate productive employment declined, worsening the labor market problems (Weller 2000).

The impact was largest in the cities, which had a significant increase in the number of people unemployed, and the consequently enlargement of the so-called *informal sector* (Panadero Moya 1988; Campbell 2003; Gilbert 1994; Stallings and Peres 2000; United Nations 1989; Halebsky and Harris 1995).<sup>9</sup> Data from the International Labor Organization show that the numbers employed in the informal sector- self-employed workers, unpaid family workers and workers employed in microenterprises and domestic service, increased from 25.6 per cent in 1980 to 30.8 percent in 1990.

Regrettably enough, the recovery of the economy did not have a positive impact on the labor market, and informality continued growing during the 1990's. Between 1990 and 1998, the informal sector generated six out of every 10 new jobs. At the end of the 1990s, 48 of every 100 urban workers were 'informal', and only 1 out of 3 were employed in microenterprises that are the better paid segment of the informal sector (OIT 1999, 1998, 1997). Most new youth

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<sup>8</sup> Interestingly enough, the region paid \$739.000 million in debt service between 1982 and 1996, that is to say, more than its total accumulated debt (Tegucigalpa Declaration, <http://www.wcc-coe.org/wcc/what/jpc/tegu-e.html>).

<sup>9</sup> A process of income-generation characterized by one central feature: *it is unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated*, Castells & Portes, 1989, p.12. According to *El mundo de la Informalidad*, it refers to independent workers with low income and people working in small business size 5-10 employees, with low productivity (Bueno Sánchez, Farah H, and Nápoli 1994).

employment in the 1990s was created in the informal sector (ILO 2000). Table 9 presents the levels of formal and informal sector employment during the 1990s.

**Table 9: Latin American Urban Employment, informal and formal sectors (%)**

Years	Informal sector				Formal sector		
	Total	Independent a.	House keeping	Microenterprises b.	Total	Public Sector	Big Companies
1990	51.6	24.7	6.7	20.2	48.4	15.3	33
1991	52.4	25	6.7	20.7	47.6	15.2	32.5
1992	53	25.6	6.7	20.8	47	14.6	32.3
1993	53.9	25.3	7.1	21.6	46.1	13.7	32.4
1994	54.9	25.8	7	22.1	45.1	13.3	31.8
1995	56.1	26.5	7.1	22.5	43.9	13.2	30.8
1996	57.4	27.2	7.1	23.1	42.6	13	29.6

Source: Data from ILO (2000, p.59)

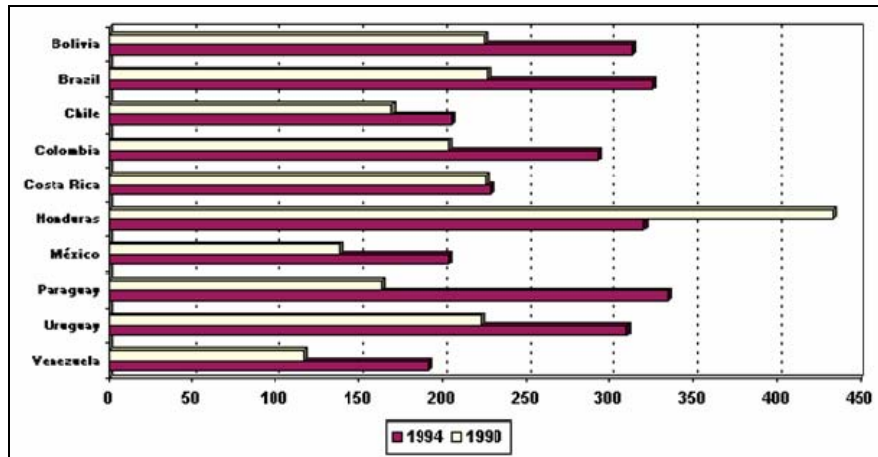
a. self-employed or free lance.

b. Those working in organizations with maximum 10 employees

Another significant impact of the 1980s economic crisis was the increase in women's participation on the labor market. Women often seek out paid work in order to compliment household income and enter the market in very unequal conditions that remained unchanged after the crisis (CELADE 1999). Between 1990 and 1998, the percentage of women working in the informal sector in urban areas rose from 49.2% to 52.0%, while for men the proportions were 41.1% and 45.0% (OIT 1999, p.58). Women's incomes are in fact 50% lower than men's (Gálvez 2001).

Informal workers do not have access to health insurance or pensions, and most of them are located in an unclear area of the labor market defined as underemployment (Bouillon and Buvinic 2003). At the end of the decade, the wages of workers in the informal sector were 44% lower than those in the formal sector, 5 percent points lower than the gap recorded in the early 1990s (ILO 2000, p.22).

Figure 6 illustrates the increased wage gap between formal and informal workers in ten Latin American countries.



Source: ECLAC, 1997, as presented by Ocampo (1998, p.4)

**Figure 6: Income distribution gap between professionals and informal workers,**

Poverty, inequality and informality were the salient characteristics of the region at the end of the twentieth century. Pointing to the great pressures and challenges faced by the systems of governance, at any level, in Latin America. Yet, these circumstances are not isolated from the deep structural changes that Latin America went through in the late 1980s and early 1990s. To some extent, these circumstances are both causes and effects of the second and third wave of reforms that traveled throughout the region.

## 2.3 NEVER ENDING REFORMS

The 1980s and 1990s were years of endless reforms in Latin America. During the last two decades of the twentieth century, social, economic, and political circumstances were redefined, reviewed, and redefined again (Finot P. 2001; Montero and Samuels 2004; Ottenberger-Rivera 1997; Campbell 2003; Smith 1985; Rivera Araya 1996; Peterson 1997). The economic and political reforms were parallel; reforming the economy was the leading theme in the 1980s' and reforming the institutions was central to the 1990s.

The neo-liberal reforms were very controversial, but the debate was ignored until the first results raised some questions about its suitability. A similar process occurred in regard to the political reforms. On December of 2003, Professor Douglas North, in a conference on *Promoting Institutional Reforms in Latin America* organized by the Center for International Private

Enterprise, in collaboration with The Ronald Coase Institute and the University of Sao Paulo, mentioned:

*In order to adapt to a dynamic world of continuous change, Latin American countries need to improve institutional and economical performance. But, before confronting these important challenges and undergoing a fundamental transformation, leaders in the region must understand the existing structure of the economy and the transaction costs. They ought to review the history and background of their countries and how institutions work, so that they can identify possible limitations to change. Once they are aware of these structural issues, they will then be ready to improve the way the game is played.*

By the year 2003, all countries in the region had already underwent deep processes of structural reforms, both economically and political. Many criticisms of the neo-liberal reforms were very pertinent, and the costs for not considering them are often mentioned when evaluating the results of the reforms.

Promoters of the economic reform claimed that they would raise economic growth rates, and reduced poverty and inequality<sup>10</sup>. Neo-liberal policies spread into the region in the 1980s, aimed at promoting a free-market economy and reducing the role of the government in directing the allocation of resources and production. External players were key promoters of these reforms (Burki and Perry 1998).

The return of many countries to democratic regimes during the 1980s, and the crisis that many established democracies faced concerning the legitimacy and efficiency of their regimes, provided the opportunity for an open debate about how to enhance or promote real democracy. The 1990 reforms focused on institutional adjustments, as they recognized the central role that institutions had in the economic and social development of the region. The emphasis was on the redefinition of the public- private realms and the promotion of new forms of governance.

Two main arguments reflect two different positions on the political reform. The first argues that the poor results of the 1980s reform occurred, in part, due to the lack of institutional reform supporting the new economic model. The second argument, from a more critical perspective, was that the economic model needed to be adjusted for the region in order to achieve development and equality. Both arguments concluded that institutions needed to be strengthened, and by doing so, good governance would be promoted as well (Campbell 2003; Nickson 1995).

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<sup>10</sup> Which were very diverse and not homogenous, as it may appear.

Democratization and *decentralization* were central themes in the political reform. The main goal set for the reform was enhancing democracy, and decentralization was considered a central policy for achieving this goal. It was claimed that *democratization* needed *decentralization*. Local players were the key promoters for this reform (Montero and Samuels 2004; Ottenberger-Rivera 1997). Decentralization was a policy well received by promoters of both the economic and the political reforms.

For those advocating the economic reform, decentralization seemed as a natural means to weaken central governments, which constrained and intervened in the market's development (Sader 2001; Stallings and Peres 2000; Burki, Aiyer, and Hommes 1998; IBD 2002). This group intersected with those promoting decentralization as a political reform in search of efficiency, who condemn the impotence and waste of the centralized government and seek to invigorate it and focus its efforts. By the reducing of the government to more manageable dimensions, it would be more efficient, responsive and accountable to the governed. (Faguet, 1997).

Those advocating decentralization as a political reform for enhancing democracy argued that it was the appropriate policy to bring constituencies closer, to often distant, and frequently seen as illegitimate, central governments. Decentralization would offer participation to those excluded under imperfect democracies (Ottenberger-Rivera 1997; Montero and Samuels 2004). Decentralization was also championed as a means to improve governance (Agüero and Stark 1998; Fukasaku and Hausmann 1998; Lustig and Deutsch 1998).

The need for new ways to organize and represent various interests, a new form of governance, was very clear in Latin America. Decentralization was seen by many as the response to the political confrontations and social mobilizations in the 1980s and 1990s.

As stated by HABITAT:

*As democratization in Latin America proceeds, the role of local governments in addressing local political issues and enabling civil participation to develop will take on greater significance. This includes not only the holding of elections at the local level, but also the ability of municipal governments to provide effective solutions to urban problems" (UN-HABITAT 1996, p.169)*

Evaluations of both the economic and political reform are generally critical and point out that the results were far from what was expected. The evaluation of the economic reform, as presented by Burki & Perry (2000), Stallings & Peres (2001), Ocampo and Martin (2003), (Stiglitz 2003) and Sader (1999; 1998; 1997), could be summarized as follows:

- The reform encouraged the fortification of the private sector, but gave very little importance to the improvement of the public sector.
- The macroeconomic reforms were not balanced; they assigned too much importance to fight inflation and did not take care of fighting unemployment and promoting growth
- The region had around 3% more economic growth in the 1990s than in the 1980s, though it has never reached the levels of economic growth that it had in the period 1950-1980, before the reforms.
- The reform increased the exposure of countries to economic risk, without increasing their capacity to face it.
- Exports grew significantly, but imports grew faster and bigger, increasing the trade deficit.
- The level of employment creation is less than expected and the quality of it is questionable. Data from ILO shows that informal employment accounts for 85 percent of the total new employment.
- Despite the small economic recovery in the 1990s, inequality has worsened, and the wage differentials between skilled and non-skilled labor has widened.

Evaluations of the political reform, carried out by different authors, showed that:

- Democratic political norms and procedures are increasingly common, but effective democratic governance is far from consolidated (Domínguez and Lowenthal 1996; Ai Camp 1996; Peterson 1997).
- The role and significance of mayors and municipalities changed in the 1980s; elected capital-city mayors became the countries' second most important political executive after the president (Myers and Dietz 2002).
- The number of IDB borrowing member states with democratically elected governments increased from 13 in the mid- 1980s to 26 in the 1990s (IDB 2002).
- From 1980 to 1995, the number of countries with direct election of mayors increased from three to seventeen (Finot P. 2001).



- Decentralization has a mixed record in terms of its efficiency effects and has often created fiscal disequilibria (Stein 1998; Finot P. 2001; Burki, Aiyer, and Hommes 1998; UNDP; World Bank; IADB 1999).
- The transfer of responsibilities from national to local levels has been carried out without an adequate transfer of resources (Finot P. 2001; IADB 2002).
- Surveys of elected local officers, from several countries, revealed that the ratio of professionals to total staff increased from 10 percent in the 1980s to more than 40 percent in the 1990s (Campbell 2003).
- New forms of governance are emerging from the decentralization process (Reilly 1995; Campbell 2003; Campbell and Fuhr 2004; Manor 1999).

The uneven results of the reforms poses an interesting puzzle for academics and practitioners. It is legitimate to ask, for example, if decentralization is in fact the appropriate strategy for enhancing democratic governance, in Latin America or elsewhere. Moreover, it is appropriate to search for the many lessons grounded in the region' experience.

Latin America's recent history and the unsettled challenges faced by this region are the reasons for focusing this study on the relation between decentralization and governance, and for choosing participation, equity, and efficiency as the three variables for assessing the impact of decentralization on (good) governance. Bogotá is the case chosen to learn from; the city shares most of the regional trends, adding intriguing and interesting particularities to them. The next chapter presents an overview of Colombia, the national context in which Bogotá's case is inscribed, which is crucial for understanding the relevance of this case and its possible contributions to the overall understanding of governance and Latin American politics.

### 3.0 NATIONAL CONTEXT, COLOMBIA: A CONTINENTAL PUZZLE

*“Few moments in Colombia’s history have created more yearnings than the National Constituent Assembly of 1991. [...] Although, as one might have expected, the leap from paper to life encountered uncountable obstacles and developments.”*

Velázquez C. and González R. (2003, p.13) <sup>11</sup>

Colombia is located in the northwest corner of South America, bordering the Caribbean Sea, between Panama and Venezuela, and bordering the North Pacific Ocean, between Ecuador and Panama. It is a tropical country along the coast and eastern plains, with a cooler climate in the highlands. It is the fourth largest Latin American nation, and the third most populous with a population of 43,700,000, of which 38 percent are under age 18 (Colombia's War on Children 2004, p.1). It is the fifth country in gross production, but it occupies the first place as an exporter of such disparate commodities as emeralds, books, processed cocaine, and cut flowers (Bushnell 1993, pp.vii-viii).

Colombia is divided into 32 departments, or politico-administrative units, and 1 capital district, Bogotá. Its bicameral Congress or *Congreso* consists of the Senate or *Senado* (102 seats; members are elected by popular vote to serve four-year terms), and the House of Representatives or *Cámara de Representantes* (166 seats; members are elected by popular vote to serve four-year terms). It has four coequal, supreme judicial organs; Supreme Court of Justice (*Corte Suprema de Justicia*); Council of State (*Concejo de Estado*); Constitutional Court (*Corte Constitucional*); and Higher Council of Justice (*Concejo Superior de Justicia*).

For most, Colombia is unknown territory, a land of myths and threat, full of gangsters, drug dealers, extreme poverty and wealth. It is so to outsiders as it is for many locals. The general agreement from those who have visited Colombia, is that it is a beautiful country with puzzling

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<sup>11</sup> Translation by the author.

contradictions and great challenges, due to an almost endemic internal conflict (Kline 1995, 1996; Bushnell 1993).

The country is significantly different from the regional trends on four major levels: its level of violence, its economic performance, its pattern of urbanization, and its recent political reform (Solimano et al. 1999). According to Estanislao Zuleta, a Colombian scholar, Colombia's democracy is possessed by fear; coexisting with democratic practices, one found one of the most violent political conflicts in the world (Zuleta 1991). Interestingly enough, Colombia has been considered the most stable democracy in the region (Hoskin 1998); apart from a four-year period of a very "civilized" military rule<sup>12</sup> in the 1950s, only two parties, the Liberals and the Conservatives have ruled Colombia, since mid nineteenth century (Kline 1996).

The second puzzling fact about Colombia is its economic performance. It was the only country in Latin America having economic growth during the crisis of the 1980s; while the GDP per capita in Latin America fell 6.6 percent between 1981 and 1988, in Colombia it showed an 11 percent growth (Miranda 2002; Gilbert 1994; García García and Jayasuriya 1997). Nevertheless, Colombia shares with Brazil the fact of being the most unequal countries in the region (Cárdenas S. and Lustig 1999; Garay Salamanca 2002).

The third issue in which Colombia deviates from the region is its process of urbanization. Before the 1990s, Colombia was one of the few exceptions to the primacy trend in the continent, as three other cities competed with Bogotá as core of the country's development. The absence of primacy has been changing since the 1990s, due to the economic crisis affecting the other major cities, and the increase in population seeking refuge in the highlands of Bogotá. *Los desplazados* (the displaced), as they are known, are a new factor that is changing the city and the country.

Finally, in parallel to the reforms occurring in the region, Colombia underwent an additional major political reform, which deeply influenced the country's recent history. On May 27, 1990, the day of the presidential election, Colombia's citizens voted yes or no on this question:

*In order to fortify participatory democracy, do you vote for the convocation of a constituent assembly with representation of social, political, and regional forces, popularly and democratically integrated, to reform the Constitution of Colombia?*<sup>13</sup>

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<sup>12</sup> The dictatorship of Gustavo Rojas Pinilla came about as a pause in the midst of a bloody partisan war between liberals and conservatives.

<sup>13</sup> Translated by the author from *Neoliberalismo y Constitución Política de 1991*, p.42.

Citizens fully approved the creation of a National Constituent Assembly to change the constitution; there were 4,991,887 affirmative votes, while 226,451 voted no (Rojas 1999, p.68). The National Constituent Assembly was popularly elected in December of 1990, and for the first time in history, all significant political forces came together to create a new constitutional charter. The result is the New Constitution of 1991, which according to experts, is one of the most advanced in the world.<sup>14</sup> The New Constitution changed the country's political regime, from a representative democracy to a participatory democracy; explicitly stating that democracy must be expressed as access to power for all. Decentralization became a political mandate, and special provisions were included for the promotion of it in Bogotá.

The aforementioned factors: violence, economic performance, and the political reform, are explored in this chapter, with the aim of providing the reader with enough information to contextualize the case of Bogotá in reference to the nation and the region.

### **3.1 VIOLENCE: A NATION ON THE RUN<sup>15</sup>**

Colombia's armed conflict is the longest-running conflict in the Americas and has grown increasingly savage (Colombia's War on Children 2004). It has killed thousands of civilians, destroying the social tissue underlying society, and leaving the state with very little trust from its constituencies (Ardila Galvis 2000). According to the findings of a national study in 1997, violence was the number one cause of mortality in the country, and the worst public health problem; accounting for 26 percent of morbidity, in contrast to a 3.3 percent average in Latin America (Rubio 1997). The High Commissioner for Human Rights, reporting to the UN in 2001, affirmed:

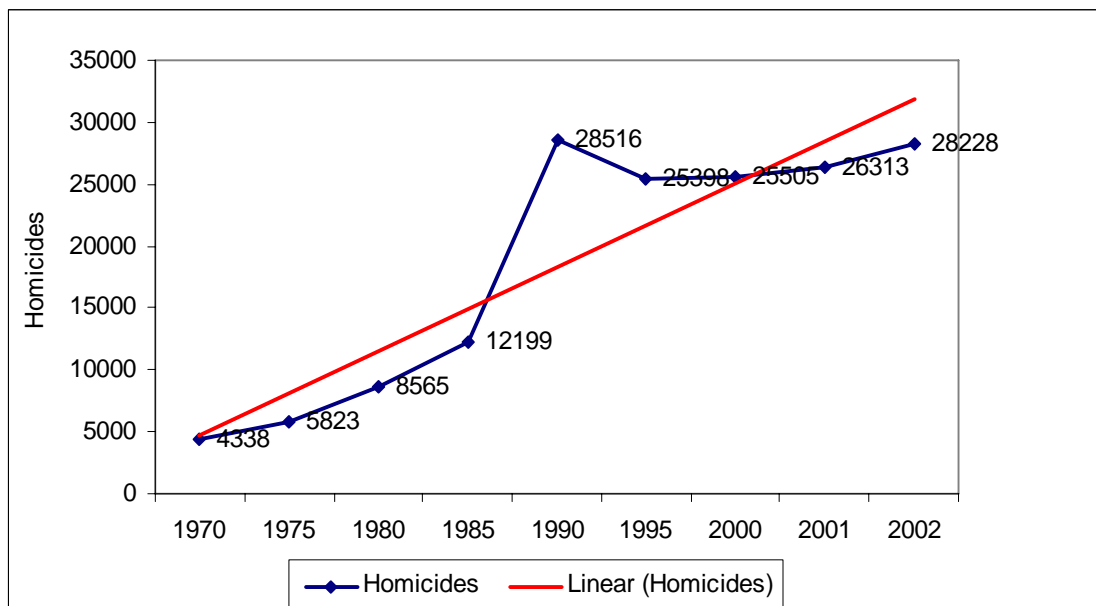
*The human rights violations can be qualified as grave, massive, and systematic. The main rights affected were the right to life and the rights to inviolability, freedom and security of the person. (Rubio 1997, p.49)*

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<sup>14</sup> An analysis of the legal qualities of the New Constitution is presented by Cepeda in, *Los Derechos y la Interpretación de la Constitución de 1991* (Cepeda 1991).

<sup>15</sup> This title was inspired by the book, *Un país que huye. Desplazamiento y Violencia en una Nación Fragmentada*, (CODHES; Jorge E. Rojas Rodríguez. [et al.] 1999).

It has been proven that any accomplishments achieved in neo-natal risk control, improving nutrition, and fighting infectious diseases were annulled by the increase in violence. Colombia has the highest homicide's rate in the hemisphere (Rodríguez and Winchester 1997) and the highest rate on kidnapping in the world (DABS; PUJ 2003). Since 1985, the average annual homicides rate has been about 25,000. Consequently, by 1994, Colombia had the highest homicide rate in the world (Carrión 1994). Figure 7 illustrates the homicide rate from 1970 to 2002.



Source: Data from Codhes and Unicef Colombia (1999), Museo Nacional (2001), and on-line consultation to: [www.codhes.org.co/](http://www.codhes.org.co/)

**Figure 7: Homicides in Colombia by quinquenium 1970-2000, plus 2001 and 2002**

Despite the existence of democratic rules and practices for political competition, political violence has been constantly present in the country's history. Recently, more than 1,000 members of the Union Patriótica, a leftist coalition party, were killed, representing one of the few cases in modern history of political genocide (the annihilation of a political party by assassinating its affiliates) (Uribe et al. 1995; Zuleta 1991). In a similar situation, more than 1,550 union leaders were killed during the 1990s (DABS; PUJ 2003).

The long lasting political conflict was aggravated with the emergence of drug lords as key players in the conflict and the economy of the country. The drug economy increased the level of

violence and promoted its professionalization, creating training programs for professional assassins. The country's already weak system of governance was further disrupted by the emergence of two new wars; the war among drug cartels, and the war against drug cartels (Domínguez and Lowenthal 1996; Museo Nacional de Colombia 2001).

With the drug economy came the paramilitary, mainly, though not exclusively, private armies aiming to protect each cartel and its economic interests. Although paramilitary groups were not new in the country (for decades landowners had used private self-defense armies to protect themselves and their resources) (Museo Nacional de Colombia 2001, p.5), drug money funded the spread of these private armies and created a strong market for them.

The endemic nature of violence in Colombia has proven that a military solution is not viable or desirable, and that what is needed is a political solution in accordance with international human rights law (CODHES; Jorge E. Rojas Rodríguez. [et al.] 1999; Rojas 1999). Nevertheless, talks of peace are usually coexistent with practices of war. The cost of war for the country may be as high as 13 percent of the GDP (HABITAT 2001, p.226).

The National Department of Planning (NDP), calculated that, between 1991 and 1996, the net cost from violence was raised to 12.5 billion pesos (1995 current), meaning 18.5 percent of the GDP. Additionally, military expenditure accounts for 30 percent. Military expenditure data presented in table 10 provides an easily identifiable measure of the scale of resources absorbed just by military activities.

**Table 10: Military Expenditure in Colombia 1988-2000**

Military expenditure in local currency (b. pesos ), at current prices												
1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
234	329	437	532	805	1315	1745	2228	2786	3537	4356	5372	5935
Military expenditure in constant US dollars (constant 2000 prices and exchange rates)												
1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1134	1267	1303	1217	1449	1931	2069	2184	2271	2434	2526	2810	2843
Military expenditure as percentage of gross domestic product (GDP)												
1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
2	2.2	2.2	2	2.4	3	2.6	2.6	2.8	2.9	3.1	3.5	3.4

b. Billions, m. millions

Source: The SIPRI military expenditure database, consulted Jan 17, 2004.

<http://first.sipri.org>

But, maybe the most dramatic consequence of violence is its impact on the country's demography; life expectancy for men has been reduced by four years, and fertility rates dropped as women became widows very early (Rubio 1997). Displacement has been identified as 'the war behind the war.' According to the International Organization for Migration (IOM) the level of displacement in Colombia is a consequence of its use as a war strategy, more than an actual consequence of the war (Beltrand, CODHES, and IOM 2003).

The U.S. Committee for Refugees (USCR) and other international organizations, estimated that, by the year 2000, Colombia had the highest internally displaced population in the world (Giugale, Lafourcade, and Luff 2003, p.831). In addition, according to the Population Data Unit of the Office of the United Nations High Commissioner for Refugees (UNCHR), the number of Colombian asylum-seekers increased from just over 2,000 in the late 1990s to more than 20,000 per year since 2001 (Giugale, Lafourcade, and Luff 2003). The majority of Colombians living outside the country reported that they were forced to leave. By the year 2000, more than 10 percent of the country's total population lived somewhere else (Museo Nacional de Colombia 2001, pp.263-276).

The phenomenon of people forced to move by violence has been constantly present in Colombia's history. The fight over land ownership, the search for a better and safer life, and political prosecution were main factors of internal migrations before 1980. Nevertheless, displacement has escalated to an epidemic level since the mid 1980s (CODHES; Jorge E. Rojas Rodríguez. [et al.] 1999; Domínguez and Lowenthal 1996; Murad Rivera 2003).

According to data from the *Consultoría para los Derechos Humanos y el Desplazamiento*<sup>16</sup> (CODHES), between 1985 and 2000, more than 2,000,000 Colombians were violently displaced, representing around 5 percent of the total country's population. As of 1997 it was estimated that six families were displaced every hour (CODHES; Jorge E. Rojas Rodríguez. [et al.] 1999). Aggravating the problem, it has been estimated that 56 percent of the displaced are women, and 55 percent are less than 18 years old (Museo Nacional de Colombia 2001, p.70).

Table 11 presents the displaced population between 1985 and 2000; figure 8 illustrate the severity of the displacement trend, and table 12 presents the proportion of displaced and received women and people under 18, by *departamento* (state), from January 2000 to June 2001.

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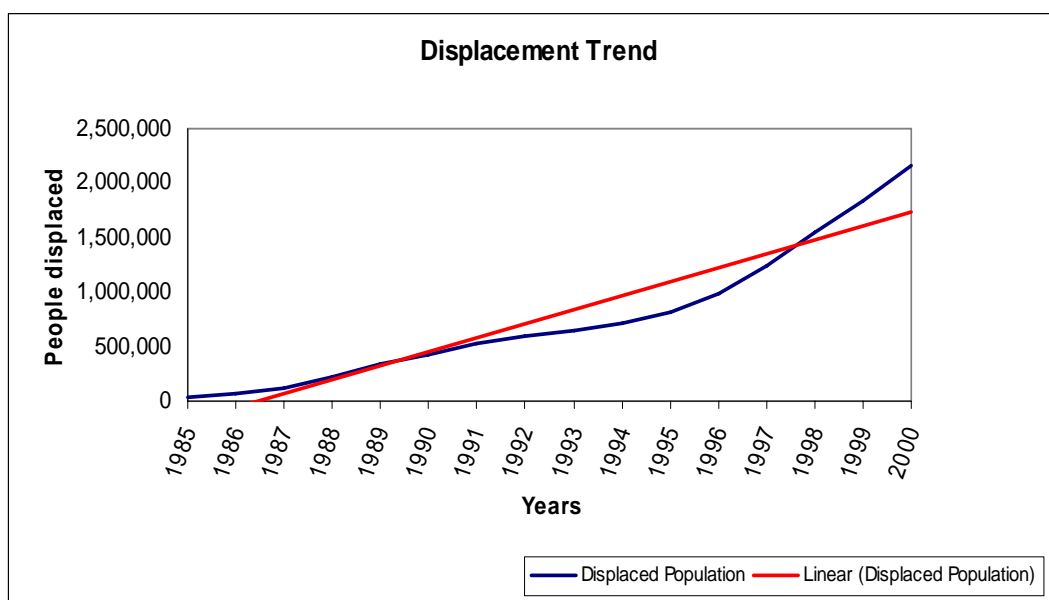
<sup>16</sup> Consulting group for Human Rights and Displacement, an independent organization created in 1992 by a group of scholars and researchers worried by the lack of recognition of the displacement problem.

**Table 11: Colombia displaced population between 1985 and 2000**

Year	New Displaced	Total	% Increase
1985	27,000	27,000	
1986	36,000	63,000	
1987	59,000	122,000	
1988	105,000	227,000	
1989	119,000	346,000	
1990	77,000	423,000	
1991	110,000	533,000	
1992	64,000	597,000	
1993	45,000	642,000	
1994	78,000	720,000	*
1995	89,000	809,000	12.4
1996	181,000	990,000	22.4
1997	257,000	1,247,000	26.0
1998	308,000	1,555,000	24.7
1999	288,000	1,843,000	18.5
2000	317,000	2,160,000	17.2

Source: Data from Sisdhes, on line at: <http://www.codhes.org.co/>

\* Data before this date are not reliable enough to display the percentage increase.



Source: CODHES, [www.codhes.org.co/](http://www.codhes.org.co/) on-line consultation Dec.20, 2004

**Figure 8: Colombia's displacement trend 1985-2000**



**Table 12: Displaced and received population by *Departamento***

Accumulated from January 2000 to June 2001				
<i>Departamento (state)</i>	Displaced	Received		
		Total	Women %	Under 18 %
Antioquia	56,843	47,661	52.19	48.24
Bogotá	0	22,140	50.51	47.82
Bolívar	26,400	19,691	47.24	39.11
Magdalena	19,199	18,687	47.04	52.08
Putumayo	8,353	10,707	49.47	45.92
Cesar	4,843	10,379	51.64	55.68
Meta	6,036	9,201	50.00	54.34
Chocó	23,052	9,166	46.21	47.79
Atlántico	100	7,933	48.86	39.68
Valle del Cauca	14,436	6,906	50.72	48.72
Sucre	5,628	6,876	50.03	55.95
Santander	5,146	6,628	48.32	48.28
Caquetá	4,432	4,952	58.97	54.03
Cundinamarca	537	4,940	55.71	51.36
Cauca	12,354	4,779	46.90	46.04
Tolima	5,541	3,792	42.77	44.74
Huila	483	3,282	44.69	58.49
Risaralda	2,764	3,138	55.03	55.81
La Guajira	1,042	2,879	50.86	39.20
Nariño	656	2,347	50.17	46.01
Norte de Santander	2,125	2,089	50.57	56.23
Quindío	29	1,200	49.02	38.13
Boyacá	360	990	49.70	51.47
Caldas	224	967	41.63	45.28
Casanare	443	737	50.60	47.74
Guaviare	738	577	42.55	44.74
Vichada	1,230	429	34.12	48.63
Arauca	302	421	38.17	52.21
Córdoba	3,967	329	46.33	40.65
Amazonas	0	23	50.00	50.00
Guainía	0	8	50.00	40.00
Vaupés	245	1	100.00	0.00
<b>Total</b>	<b>207,508</b>	<b>213,855</b>	<b>50.00</b>	<b>48.53</b>

Source: (Murad Rivera 2003)

Displacement affects the socio-spatial distribution of the Colombian population and it is a critical and distinctive element for understanding the latest drive in Colombia's urbanization; for a map of the displacement by regions, please see [Appendix A](#).

.A survey conducted by the information system on displacement (SISDES) found that around 87 percent of the internally displaced population (IDP) moved to urban areas; Bogotá is the city that receives the biggest share of “*desplazados*”<sup>17</sup> (Museo Nacional de Colombia 2001). People displaced from their homes move to the cities in search of refuge because the incidence of the war is less noticeable there and their arrival is changing Colombia’s pattern of urbanization. The next section presents the characteristics of the country’s urbanization and an explanation of how it deviates from the regional patterns and why.

### 3.2 URBANIZATION: VERY LATE INTO THE PRIMACY PATTERN

Colombia, as most Latin American countries, went from being predominantly rural to predominantly urban in the second half of the twentieth century. However its pattern of urbanization was exceptional in Latin American, as the country did not present clear primacy of its capital, Bogotá (Gilbert 1994; Flórez Nieto and Méndez 2000; Greenfield 1994).

Between World War II and 1970, many cities added more population than they did in the three preceding centuries, leading to a relatively balanced net of cities (Greenfield 1994, p.141). Table 13 illustrates the pace of urbanization in the country from 1950 to 2000.

**Table 13: Colombia, percentages of urban and rural populations 1970-2000**

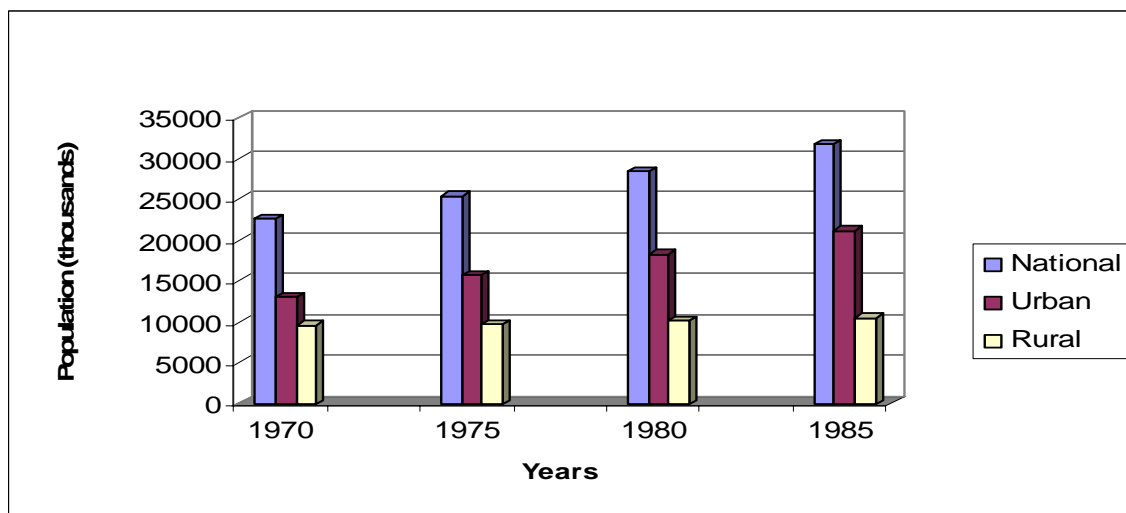
Area	1970	1975	1980	1985	1990	1995	2000
Urban	57.7	61.8	64.4	67	69.4	71.7	75
Rural	42.5	38.4	35.7	33.1	30.7	27.9	25

Source: Population Division, Department of Economic and Social Affairs, United Nations, 2001 and CELADE-Population and Demography Latin American Center, Bulletin No.63.

Figure 9 illustrates the dominance of urban population growth from 1960 to 1995.

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<sup>17</sup> Desplazados became a common nickname in Colombia, when people from different regions and cultures made a new and unique category of Colombians.



Source: CELADE, Demographic Bulletins No. 63: Latin America, mortality tables 1950-2025; and No.67: Latin America: Urban and Rural populations projections 1970-2025.

**Figure 9: Population growth, national, urban and rural**

Two distinct Colombian factors explain this pace of urbanization; first, the incidence of political violence in the country's history, which affected by and large rural areas; second, Colombia's more even pattern of urbanization, which offered at least four legitimate urban poles of attraction: Cali, Medellín, Barranquilla, and Bogotá.

Colombia has been burdened by a long history of sociopolitical violence, and the displacement of civilians has been an endemic feature of the country's close to 50 year conflict (Norwegian Refugee Council 2004). During a period known as *La Violencia*, the internal conflict reached a peak that brought many rural dwellers seeking protection to the cities. *La Violencia* officially ended in 1957 when the two dominant political parties signed an agreement to share power. Yet in response to the power monopoly established by the Liberal and Conservative parties, armed guerrilla movements emerged in the 1960s (Jaramillo Uribe 1992; Melo 1991). Between 1951 and 1964, the percent of the population in urban areas rose from 39% to 52% of the nation's population (Flórez Nieto and Méndez 2000, p.65).

The 1980s witnessed the surfacing of paramilitaries and powerful drug cartels, and the internal conflict reached levels of violence unknown before. Displacement is but the most palpable manifestation of the internal war and it is, as presented in the previous section, deeply affecting the demography of the cities and the country's prevailing pattern of urbanization.

For most of the twentieth century, Colombia's pattern of urbanization was known as cuadricephalic, in contrast with the prevailing monocephalic pattern in Latin America (Flórez Nieto and Méndez 2000). In Colombia, each main region developed its own central city, its capital. The north coast has Barranquilla, the most important Caribbean port; the northeast has Medellín, the most important industrial center, at least for a long time; the southeast has Cali, the gate to the Pacific and the most modern agro industrial center; and, the central plains have Bogotá, the country's capital (Greenfield 1994; Gilbert 1994; Flórez Nieto and Méndez 2000).

By 1973, these four cities contained 25 percent of the national population; additionally, by the 1980s Colombia had developed multiple medium size cities. By 1988 five cities besides the fourth mentioned, had more than 500,000 inhabitants; twenty-six had between 100,000 and 500,000 inhabitants; and thirty-nine had between 50,000 and 100,000 (Nickson 1995, p.145).

Despite the emergence of several competing urban conglomerations, the country's pluricephalic pattern slowly changed. From the mid 1970s on, Bogotá began a faster pace of growth, and by the 1990s, the tendency to its primacy was clear. By 1993, around 15 percent of the country's population lived in Bogotá, while the other three cities accounted for another 15 percent (Flórez Nieto and Méndez 2000, pp.75-76).

Primacy, as known in most Latin American countries, was just beginning to be noticeable in the 1990s. In the period 1985-1993, Bogotá's population grew 5.1 percent a year, while the other three major cities had an average population growth rate between 2.0 and 2.8 percent a year (UN-HABITAT 1996, p.51). Table 14 illustrates the emergence of primacy in the country.

**Table 14: Percentage of the total population living in main cities (1950-2000)**

<b>Quinquennium</b>	<b>1950</b>	<b>1955</b>	<b>1960</b>	<b>1965</b>	<b>1970</b>	<b>1975</b>	<b>1980</b>	<b>1985</b>	<b>1990</b>	<b>1995</b>	<b>2000</b>
Barranquilla	2.3	2.5	2.7	2.9	3.1	3.3	3.4	3.6	3.6	3.6	4
Bogotá	5.4	6.5	7.7	9.2	10.6	12.1	12.9	13.8	14.2	14.8	16.1
Cali	1.8	2.3	2.8	3.4	3.8	4.2	4.3	4.5	4.5	4.7	5.3
Medellín	3	3.6	4.3	5.1	5.6	6.1	6.1	6.2	6.1	6.2	6.8
<b>Total</b>	12.5	14.9	17.5	20.6	23.1	25.7	26.7	28.1	28.4	29.3	32.2

Source: Population Division, Department of Economic and Social Affairs, United Nations, 2001

The urban population growth since 1985, and the emergence of Bogotá's primacy, coincided with a new wave of violence. According to data from the Norwegian Refugee Council, the total number of people internally displaced from 1985 to 2003 was 3,090,000, accounting for 7

percent of the country's total population. Of the 1100 municipalities in the country, 904 were affected by forced displacements in 2003 (Norwegian Refugee Council 2004).

According to CEPAL, as a consequence of the arrival of displaced populations, poverty in urban areas has increased, as the displaced tend to be concentrated in slums and shanty towns, where they find themselves among the poorest of the urban poor (CEPAL and PNUMA 2001).\

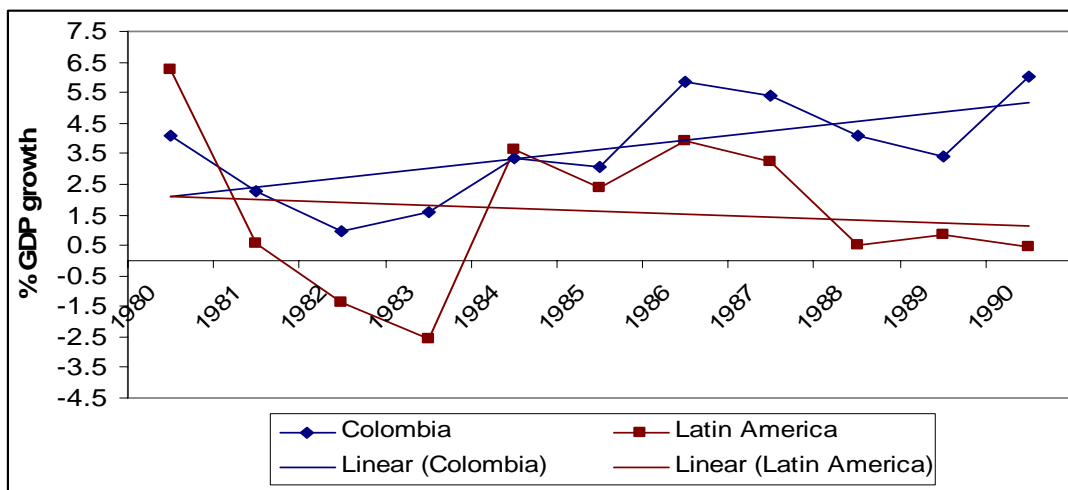
The displaced population significantly enlarged the informal sector and the number of poor in the cities. Official sources estimate that at the end of the year 2000, the country's per capita income had fallen to US \$100 less than in 1994 (High Commissioner for Human Rights 2001, p.17). Displacement had important impacts on the economy of the country.

The next section examines three particularities of Colombia's economy: its performance, the level of inequality, and the role of the informal sector within the economy.

### **3.3 A SUCCESS STORY OF ECONOMIC PERFORMANCE: POVERTY AND INEQUALITY**

Colombia held for many years the title of the most successful country in Latin America in regards to its economic performance. As a matter of fact, between 1970 and 1997 the Colombian economy grew every year but one (Londoño de la Cuesta 1995). Noticeably, while the region's economy went into an economic downspiral during the debt crisis of the 1980s, Colombia experienced continued economic growth, was the only country in Latin America to pay back its debt on schedule, and kept its inflation under relative control (Edwards 2001).

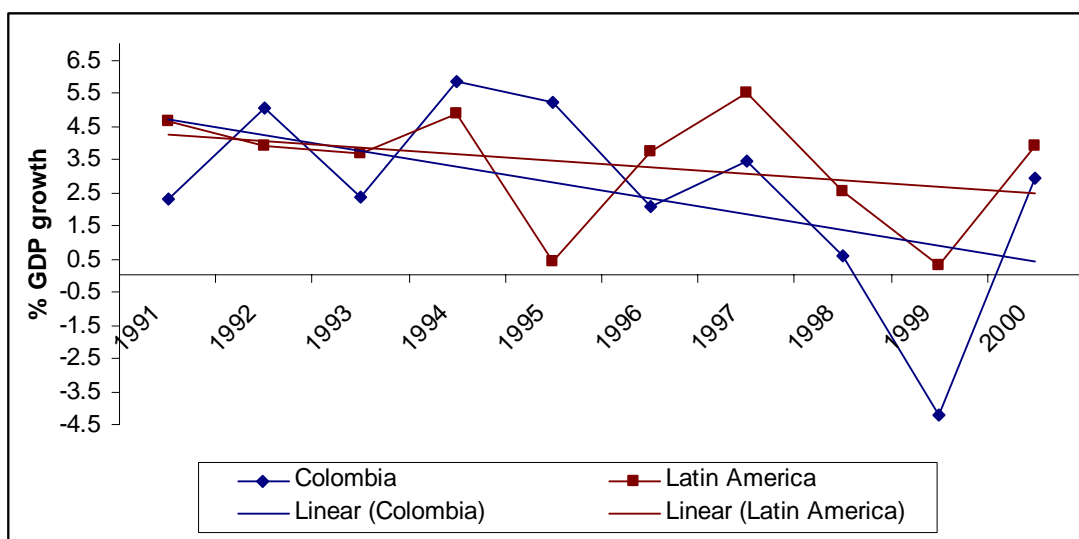
According to a comparative study, during the 1980s, Colombia exhibited the strongest performance of any Latin American country (Edwards 2001, p. 33). Figure 10 presents the regional and national GDP growth rate trend from 1980 to 1990 and illustrates Colombian's outstanding performance.



Source: World Bank, World Development Indicators database on-line.

**Figure 10: Average GDP growth rate for Latin America and Colombia, 1980-1990**

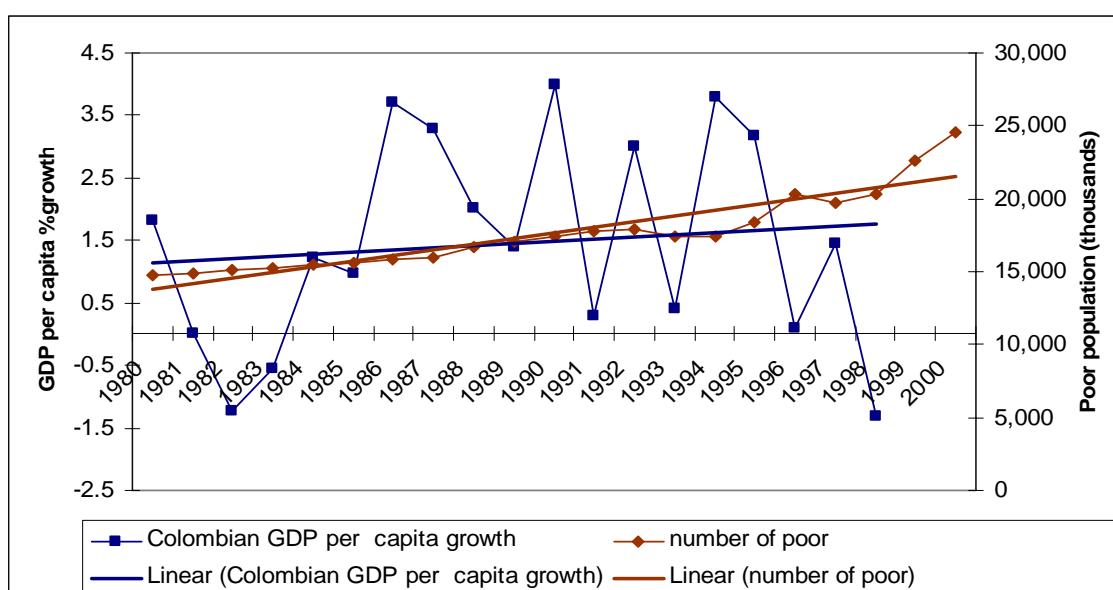
During the 1990s, Colombia's performance deteriorated in relation to the region (Calderón and Reyes 2000). Between 1996 and 1998, the average growth rate was 1.7 percent; and in 1999, for the first time in the century, the economy exhibited negative growth, -1.9 percent. Figure 11 illustrates the reversal of the regional and national trends of the 1990s.



Source: World Bank, World Development Indicators database on-line.

**Figure 11: Average GDP growth rate for Latin America and Colombia, 1991-2000**

The change in the country's economic performance continues to be a source of discussion. Undoubtedly, it is the result of a combination of internal and external factors, and to explain it is beyond the scope of this study. Nevertheless, it is common to find arguments associating the economic crisis with the implementation of an economic reform known as *La Apertura*<sup>18</sup>, which will be explored further in next subsection. What is clear is that the effect of the country's economic performance had little impact on its poverty and inequality levels. Poverty grew side by side with wealth. From 1980 to 1998, the average GNP<sup>19</sup> per capita grew constantly; during the same period the number of poor increased as well (Corredor Martínez 1998, V.1 p.74). Figure 12 illustrates these trends.



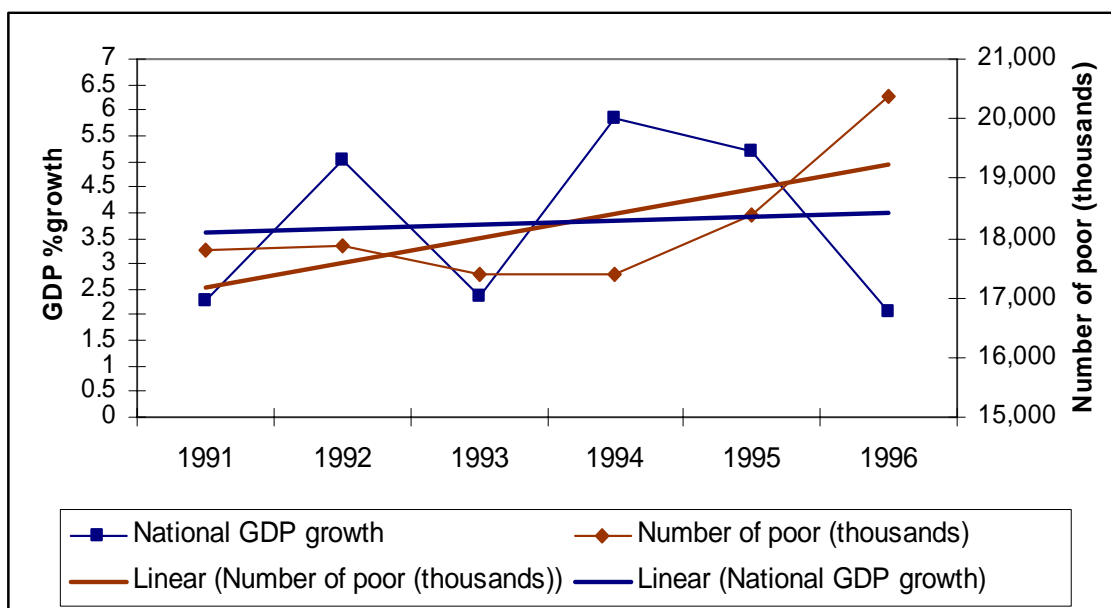
Source: calculations using World Bank and DNP data.

**Figure 12: Colombia: GDP per capita percentage growth and number of poor, 1980-2000**

Between 1991 and 1996, the economy grew at an average rate of 4.4 percent. Puzzlingly, the number of poor increased by 3.3 million during the same period (Corredor Martínez 1998, V.II, p.133); as illustrated by figure 13.

<sup>18</sup> It means the opening and that was the main goal of the reform to open the economy.

<sup>19</sup> Gross National Product



Source: calculations using World Bank and DNP data.

**Figure 13: Colombia, GDP growth and number of poor, 1991-1996**

What the previous graphics illustrate is the vulnerability of the poor to changes in the economic pattern. When the economy is in good shape, poverty improves very little and very slowly; when the economy is in crisis, the poor are the first in receiving the impact, and poverty grows fast. The next subsections are dedicated to further explore poverty and inequality in the country, for the period covered in this study.

### 3.3.1 Poverty

Poverty has been a rather stable phenomenon in Colombia, with brief periods of slight improvement. Between 1978 and 1995, the share of the population below the poverty line was slightly reduced from 58.1 percent in 1978 to 53.2 percent in 1994 (DNP-UNDP 1998). Poverty increased by over 14 percent between 1997 and 1999. Those living in poverty numbered 19.7 million in 1997, rising in 1999 to 22.7 million (of an estimated population of 36 million) or 63 percent of the country's population (High Commissioner for Human Rights 2001, p.17). According to the latest World Bank's report on Colombia, 64 percent of the population was in poverty in 1999, and 23 percent were in extreme poverty. As of 1999, the country had the same



level of poverty as in 1988 (Vélez et al. 2002, p.11). Twenty seven million people live in poverty, and one of four poor lives in extreme poverty.<sup>20</sup>

In 1995, for every 100 people below the poverty line living in cities there were 167 in rural areas. This is despite the fact that only three out of ten Colombians lived in areas officially classified as rural. According to the country's Human Development Report for 1998, rural areas has a life expectancy 10 years below urban areas, and the illiteracy rate is 3.5 times higher (DNP-UNDP 1998, p.xiv). It has been estimated that, as a consequence of its level of poverty, rural areas stay two decades behind the level of social development accomplish in the cities (Fresneda B., Sarmiento Anzola, and Muñoz 1991, p.236).

Table 15 presents the evolution and incidence of poverty in the country according to the Poverty Line index (PL)<sup>21</sup> in rural and urban areas, from 1972 to 1995.

**Table 15: Colombia Evolution and Incidence of Poverty, 1972-1995**

Year	National			Urban			Rural		
	Population (thousands)	Under PL (thousands)	Incidence	Population (thousands)	Under PL (thousands)	Incidence	Population (thousands)	Under PL (thousands)	Incidence
1972	22,008	13,215	60.0%	13,053	6,696	51.3%	8,955	6,519	72.8%
1975	23,757	13,915	58.6%	14,284	7,142	50.4%	9,472	6,773	71.5%
1978	25,440	14,335	56.3%	16,125	7,829	48.6%	9,315	6,507	69.9%
1986	30,024	15,614	52.0%	20,138	8,901	44.2%	9,887	6,913	67.9%
1988	31,141	16,659	53.5%	21,332	10,047	47.1%	9,810	6,612	67.4%
1991	32,841	17,041	51.0%	22,660	10,424	46.0%	10,181	6,617	65.0%
1992	33,392	17,881	53.5%	23,127	10,742	46.4%	10,265	7,139	69.5%
1993	33,952	17,384	51.2%	23,596	10,052	42.6%	10,356	7,332	70.8%
1995	35,098	18,391	52.4%	24,569	10,810	44.0%	10,529	7,581	72.0%

Source: Sarmiento-Anzola, L. quoted in *Seminario "Pobreza y Política Social en Colombia"*, 1998:35

Although the incidence of poverty is higher in rural areas, in absolute numbers poverty it is higher in urban areas, as illustrated by table 15. This is consistent with the regional trend known as the urbanization of poverty. The more urbanized the country, the more urban poverty, as

<sup>20</sup> Using the less than \$2 dollars daily income for the poverty line and less than \$1 for extreme poverty.

<sup>21</sup> The poverty line is the minimum income level needed to give rise to a minimum calorific intake, together with minimum consumption rates of different food groups. This is weighted by the proportion of total expenditure on food by the poorest 25 per cent of the population.

income earned becomes the only source of survival and is very unequally distributed (Fresneda B., Sarmiento Anzola, and Muñoz 1991, p.238).

Measurement of poverty may differ depending on which indicator is used to evaluate it. For example, as measured by the Unsatisfied Basic Needs index-UBN<sup>22</sup>, there have been significant improvements in the country. According to this indicator, the incidence of poverty was reduced from 55.4 percent in 1980 to 22.99 percent in 2000, with rural areas benefiting the most. However, it seems more plausible that what this trend illustrates is the urbanization of the country. By 1990 two-thirds of rural dwellers were poor (5,981,700) and a quarter of urban dwellers (5,978,700) (Fresneda B., Sarmiento Anzola, and Muñoz 1991, p.236).

Table 17 presents the level of poverty for rural and urban areas, as measured by the UBN index.

**Table 16: Colombia: Population and Incidence of poverty in rural and urban areas (UBN index), 1972-2000**

Year	National		Urban %		Rural %	
	Thousands	%	Thousands	%	Thousands	%
1972	17,064.4	72.5	8,564.1	61.1	8,500.2	89.2
1980	14,905.8	55.4	7,741.2	43.4	7,164.6	79
1985	14,617.5	45	nd.	32.3	nd.	71.8
1986	13,075.4	42.9	6,588.5	30.8	6,486.6	71.3
1988	12,606.1	39.4	6,319.1	27.7	6,287.0	68.7
1990	11,960.5	36.3	5,978.7	25	5,981.7	66
1993	14,011.3	37.2	6,927.6	26.8	7,384.6	62.5
1996	10,201.4	25.97	4,617.5	16.85	5,769.1	48.57
1997	10,360.9	25.89	4,986.6	17.77	5,563.6	46.53
1998	10,605.1	26.01	5,000.1	17.41	5,762.7	47.81
1999	10,343.2	24.9	5,142.0	17.5	5,312.2	43.7
2000	9,724.6	22.99	4,940.0	16.44	4,897.8	39.98

Source: calculations with data from DNP, Socio-demographic indicators, Social Indicators System and from Fresneda, Sarmiento and Muñoz (1991, p.236).

Recent studies (Garay Salamanca 2002; High Commissioner for Human Rights 2001), showed that the country's poverty situation could be summarized as follows.

<sup>22</sup> The Unsatisfied Basic Needs Index measures material well-being in its multiple dimensions, such as nutritional and health status, life expectancy, education and housing conditions.

- More that 60 percent of the total population is poor, and there are more than 11 million Colombians under the line of extreme poverty.<sup>23</sup>
- From the country's economically active population (EAP), 60 percent "work" in the informal sector, not having access to security, stability or labor rights.
- More than 3 million of children under fifteen do not have access to education.
- The gap between rural and urban areas, and the large increase in inequality in the urban sector due to the deterioration of income distribution, worsen the level of inequality in the country (Bourguignon, Ferreira, and Lustig 2004).

As mentioned, inequality is as important a factor in the regional trends as it is in the national context. The next section presents the country's trends regarding inequality.

### **3.3.2 Inequality**

Colombia and Brazil share first place for inequality in the region, which, in the case of Colombia, clearly deteriorated during the 1990s (Cárdenas S. and Lustig 1999; Garay Salamanca 2002). At the end of 1990s, Colombia had moved backward ten years in its development level; all achievements made in life expectancy, health and education from 1985 to 1993, were lost due to the increase in inequality after 1993 (DNP-UNDP 1998, p.122).

In October of 1998, in the midst of one of the many peace processes the country has embarked on, a number of academics and representatives from NGOs, who believed that closing the inequality gap was a condition for the success of the process,<sup>24</sup> conducted a national seminar on poverty and social policy. The aim was the promotion of an open debate regarding poverty and inequality. According to the seminar memoirs, Colombia's level of concentration is higher than most Latin American counties, and higher than expected in regards to its GDP annual growth. As a matter of fact, in 1998 the country ranked below countries with lower GDP and GNP, such as Perú, Nigeria, or Zambia (Corredor Martínez 1998, pp.124-125).

Wealth and income disparities were acknowledged notorious characteristics of the Colombian economic model, in fact.

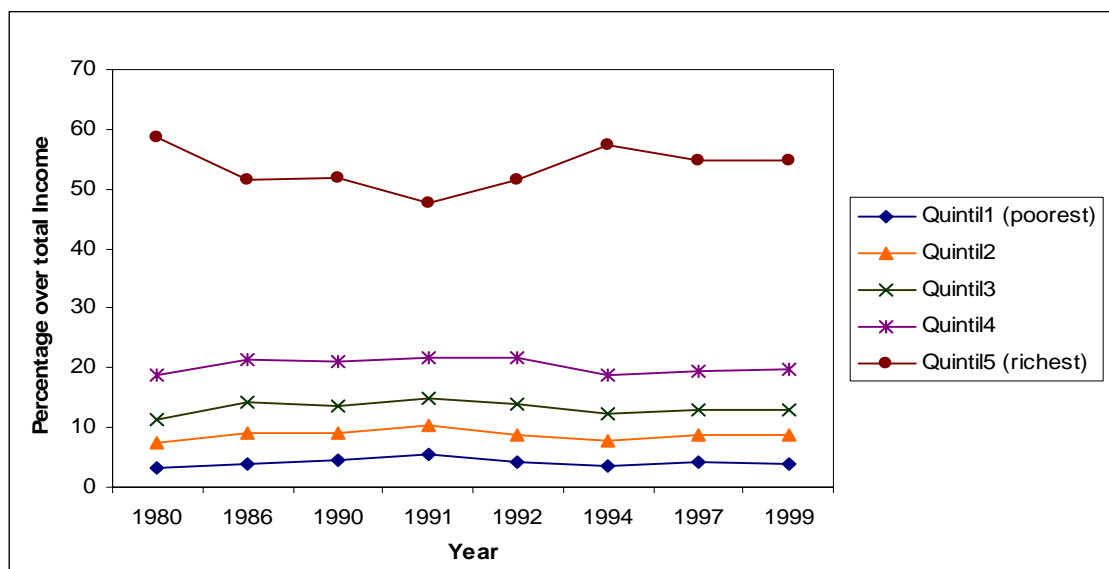
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<sup>23</sup> Extreme poverty is defined as having an income of less than \$1 dollar per day.

<sup>24</sup> This one was lead by President Andrés Pastrana and was under discussion by the time of the seminar.

- Five financial groups controlled over 92 percent of the financial sector;
- 48 percent of the land is owned by 1.3 per cent of the landowners;
- Four main economic groups own 80 percent of the media;
- the richest 20 percent of household have 60 percent of the total income (Corredor Martínez 1998 Vol.I, p. 87).

The level of poverty associated with income distribution is higher than the region's average (Fresneda B., Sarmiento Anzola, and Muñoz 1991; Urzúa and Palma R. 1997);. By 1988, the richest 20 percent received thirty-five times the income received by the poorest 20 percent. Figure 14 illustrates the gap between the richest and the poorest for the 1980s and 1990s.



Source: data from BADEINSO, Base de Estadísticas e Indicadores Sociales, CEPAL

**Figure 14: Colombia's Income Distribution gap, 1980-1999**

The markedly unequal income distribution reduces Colombia's overall human development rating. In fact, the country's Human Development Index (HDI) dropped 11 points between 2000 and 2001, placing Colombia 68<sup>th</sup> among the 174 countries covered by the index (High Commissioner for Human Rights 2001, p.17). Table 17 shows Colombia's HDI before and after adjusting for income distribution, for most of the 1990's.

**Table 17: Colombia: Human Development Index adjusted by Income**

Year	IDH	IDH adjusted by /Income
1994	0.63	0.555
1995	0.65	0.5675
1996	0.65	0.5675
1997	0.66	0.57375
1998	0.65	0.5675
1999	0.65	0.5675

Source: data from DNP, Socio-demographic indicators, Social Indicators System.

As measured by the GINI index<sup>25</sup>, Colombia also presents a higher level of income disparity than most countries in the region, rising above 50 points. Table 18 presents Colombia's GINI index for the 1990s, as reported by different sources.

**Table 18: Inequality in Colombia: GINI Coefficient**

Year/source	DNP a.	World Bank b.	Roa-Mejía c.	HDR2000 d.	DANE e.
1988	0.554	0.512			
1990			0.460		
1991	0.554		0.473		0.550
1992	0.564		0.485		0.564
1993	0.584		0.478		0.560
1994	0.569		0.493	0.570	0.569
1995	0.556		0.485	0.560	0.556
1996			0.484	0.530	0.54
1997			0.510	0.560	0.56
1998		0.580	0.532	0.563	0.563
1999			0.532	0.560	0.560
2000					0.560

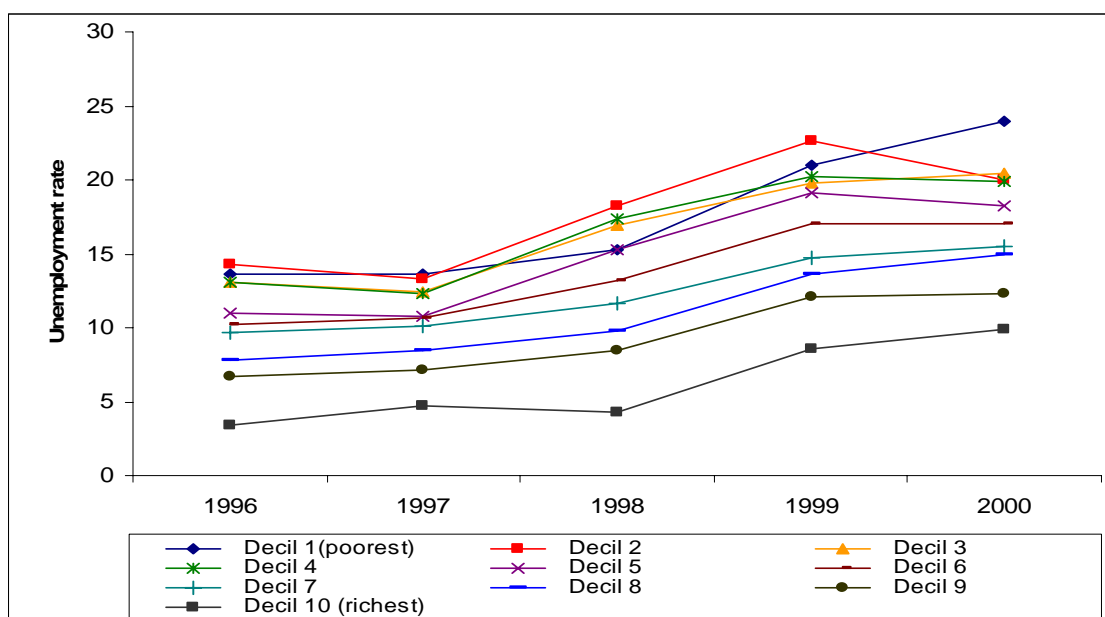
Sources: a. Misión Social del DNP, 1998; b. World Bank country report, *Poverty in Colombia*, 1994 and on-line database consulted 2004; c. Alfredo Roa Mejía in de Miranda-Parrondo (comp.), 2002; d. Human development report 2000; e. DNP-UDS-DIOGS, based in DANE.

As early as in 1977, a study from Yale University revealed that more than two-thirds of overall inequality in Colombia was attributable to labor income (Fields 1977). This trend

<sup>25</sup> Remainder: the GINI index, measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. The scale goes from zero representing perfect equality to 100 representing perfect inequality (World Development Report, 2000:276).

continued and deepened with urbanization as more people's total income depended on the work they do.

Inequality in Colombia has a lot to do with the labor market structure and performance; in fact, access to employment might deepen the inequality gap. Figure 15 illustrates this last argument; it is possible to see that while unemployment has affected all levels of income, the most affected are those at the lowest levels.



Source: data from DNP, social indicators system: SISDEO.

**Figure 15: Unemployment rate by Income Deciles, 1996-2000**

The next sub-section further explores the national trends in employment, unemployment and participation in the informal sector.

### 3.3.2.1 Employment, unemployment & informality (quasi-employment)

Understanding that the main income source for most Colombians is what they do, their work, it is possible to comprehend the deep impact that the structure and performance of the labor market has in the social, political, and economic life of the country. In Colombia, employment, or its underdeveloped version, underemployment, has been concentrated in urban areas, attracting continuous migration from the countryside in search of means of subsistence and safety.

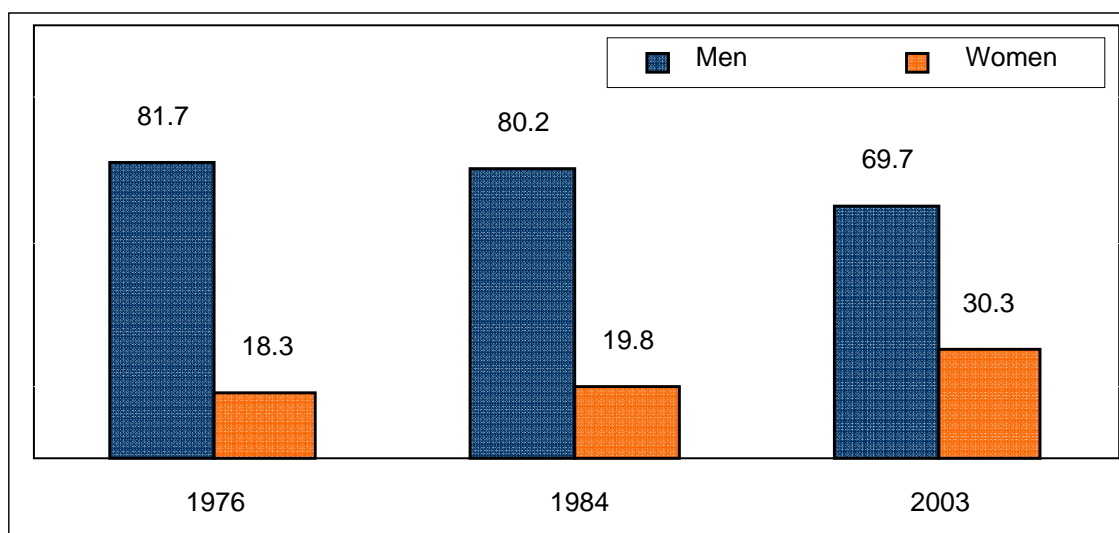
In 1984, 67.3 percent of the national employment was generated in cities, while only 32.7 in rural areas, of total urban employment, 82 percent was located in the private sector and 18 percent in the public sector. More than two-thirds of the urban employment was located in services and only 5.3 percent in manufacturing and 4.3 percent in construction. By that time, the informal sector already provided 21 percent of the urban employment (Ocampo and Ramírez 1987, Vol.1,pp.62-65).

The Cherney report, conducted in 1986, recommended enhancing the national industry in order to provide quality employment, and regulate and control the labor market. According to the report, the country had two parallel economies, the formal and the informal, which had strong and unregulated ties. The report warned the policy makers of the need to incorporate the informal economy and its labor into the formal economic system of the country (Ocampo and Ramírez 1987, Vol.2). As it will be seen, the recommendations of the report were quite pertinent. For a distribution of the labor market by activity please see [Appendix B](#).

In the 1980s, the Colombian unemployment rate rose steadily from 8.4 percent in 1981 to 14.9 percent by June 1986. This trend continued during the 1990s, reaching the highest level ever recorded (15.9 percent for the last quarter of 1998 and 19.8 percent for the second quarter of 1999). Those most affected were women and young people (Montenegro and Peña 1999).

By 1985, the size of the economically active population reached 11.3 million people, or 38 percent of the population. This represented an average annual growth rate of 3.9 percent from 1973 to 1985, with women and youths accounting for most of the increase. One-third of the labor force consisted of women, many of whom were housewives who had recently entered the job market. The rise in the number of young workers constituted the other significant demographic development. Because of the influx of relatively uneducated and unskilled young workers into the labor market, many youths found it impossible to gain employment. Unemployment grew much faster than employment.

Figure 16 illustrates unemployment rates by head of household and gender. Table 19 presents the occupation and unemployment rates in seven Colombian metropolitan areas by gender, from 1991 to 2000.



Source: DANE, Departamento Administrativo Nacional de Estadística (Department of Statistics, Colombia)

**Figure 16: Unemployment rates by Head of Household and gender, 1976, 1984, 2003**

**Table 19: Employment and Unemployment Rates in seven Metropolitan Areas (1990s)**  
Bogotá, Medellín, Cali, Barranquilla, Bucaramanga, Manizales, and Pasto

Year	Men		Women	
	Employed	Unemployed	Employed	Unemployed
1991	69.0%	7.4%	40.6%	13.1%
1992	69.4%	6.5%	41.4%	12.6%
1993	70.7%	5.3%	42.7%	11.0%
1994	70.3%	4.9%	41.2%	11.2%
1995	69.1%	6.8%	41.8%	11.3%
1996	66.1%	9.6%	40.0%	15.1%
1997	65.5%	9.8%	41.6%	15.1%
1998	63.9%	12.5%	41.6%	18.0%
1999	61.1%	17.2%	41.7%	23.3%
2000	61.4%	16.9%	43.1%	24.5%

Source: Fedesarrollo, 2001, "Indicadores de Empleo", Coyuntura Social, [<http://www.fedesarrollo.org.co>], and Maruri (2001).



As the formal labor market deteriorates, the informal sector<sup>26</sup> becomes a fundamental survival strategy for poor households, and in many cases for the middle class. In the case of Colombia, one source of informal employment that has been understudied is the economy of drugs;<sup>27</sup> although, it has been estimated that returns from the drug market account for about 2.0 to 2.5 percent of the national GDP per year (The Economist Intelligence Unit 2003).

The unemployment problem is “resolved” on the ground through informal employment. To show the severity of the labor market deterioration, it has been estimated that at the end of the twentieth century, more than 60 percent of the nation’s economically active population (EAP) “worked” in the informal economy, and more than two thirds of that percentage were located within the subsistence margins (Morley 2001; CODHES; Jorge E. Rojas Rodríguez. [et al.] 1999; Flórez Nieto 2002; Velásquez C. and González R. 2003; López Castaño 1996, 1993).

Although there are differences in the estimates of the informal sector’s evolution and size due to the difficulty of collecting data, and to differences in the definition of the sector itself, its dramatic increase is recognized by all. Depending on the source, by 1984, the size of the informal sector was estimated to be between 47 to 55 percent of the total economy. By 1996, between 38 to 54 percent; and by 2000, between 47 to 61 percent (Flórez Nieto 2002, p.15). Table 20 presents the percentage of informal workers in seven metropolitan areas from 1986 to 2000.

**Table 20: Informality rate in seven metropolitan areas**

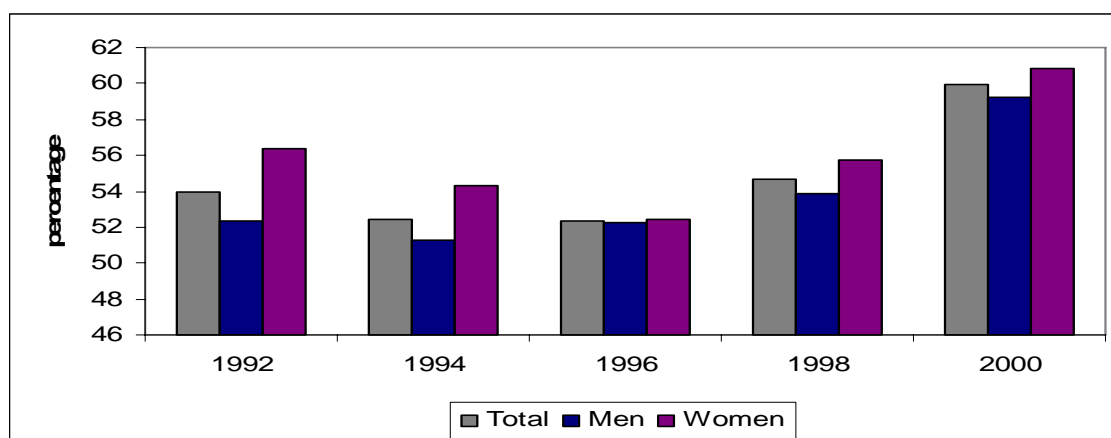
City	1986	1992	1996	2000
Bogotá	52.1%	50.40%	49.10%	57.80%
Medellin	51.9%	51.80%	49.240%	55.70%
Cali	58.0	53.20%	56.10%	63.10%
Barranquilla	62.2	61.70%	58.80%	68.20%
Bucaramanga	66.3	65.20%	62.40%	68.70%
Manizales	53.7	52.10%	50.10%	60.90%
Pasto	70.8	70.10%	67.90%	70.60%

Source: Fedesarrollo, 2001, “Indicadores de Empleo”, Coyuntura Social, [<http://www.fedesarrollo.org.co>], Maruri, E. (2001); López Castaño (1996).

<sup>26</sup> The term informal economy covers a set of heterogeneous activities, from unpaid labor to any number of unregulated salaried jobs. In most cases, it includes all small enterprises with 10 employees or less, self-employees, domestic servants and familiar employees without remuneration (CODHES; Jorge E. Rojas Rodríguez. [et al.] 1999).

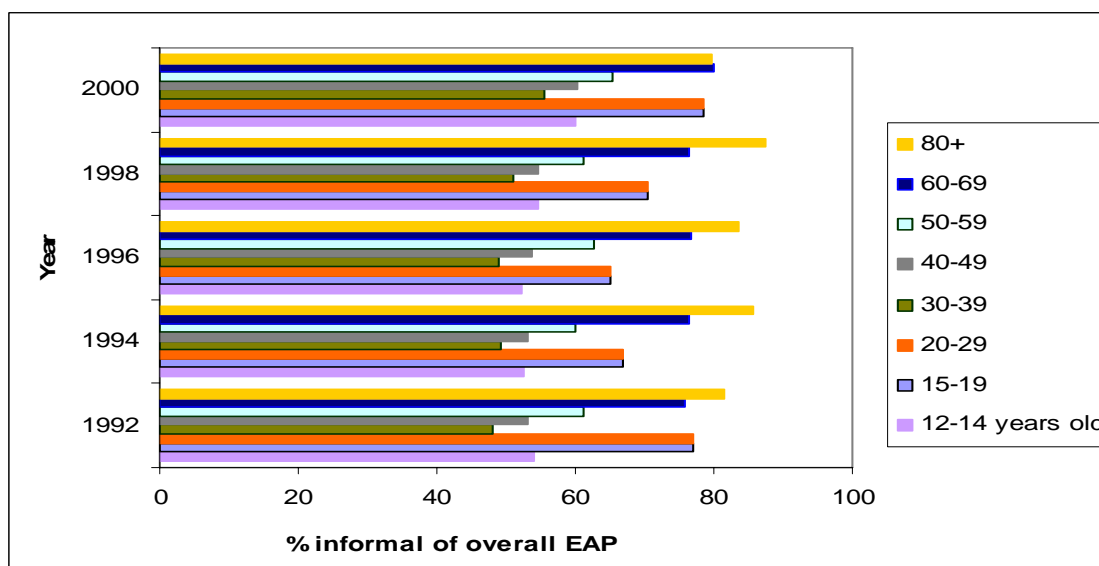
<sup>27</sup> The author is not aware of any study that evaluates the drug market as a source of “employment” as of the date of publication.

Between 1996 and 1998, informal sector participation grew 2.8 percentage points and 3.2 million people were employed in the informal sector (Henao V., Rojas D., and Parra R. 1999, p.10). A study conducted by CODHES in 1999 established that the displaced populations mostly enlarged the already large informal sector, adding another ring to the circles of poverty in the cities (CODHES; Jorge E. Rojas Rodríguez. [et al.] 1999). Figure 17 illustrates the percentage of working-age population employed in the informal sector from by gender. Figure 18 illustrates the percentage of the population in the informal sector by age.



Source: data from Dane, ENH, e. 76 to 108

**Figure 17: Percentage of EAP in the informal economy by gender**



Source: data from Dane, ENH, e. 76 to 108

**Figure 18: Percentage of EAP in the informal economy by age**

There are many factors that cause the deterioration of the labor market, though it is clear that economic and social conditions are clearly intertwined in the Colombian case. First, there is a clear connection between the increase in unemployment and the deterioration of the economy's growth, caused by macroeconomic and political factors. Second, there is a clear connection between the increase of poverty and inequality in the cities caused by the increase in violence and the polarization of the long lasting conflict in the country (García Rojas 1990; Montenegro and Peña 1999; Harasty and Schmidt 2003).

Two additional elements must be considered in order to fully understand Colombia's complex situation; the Neoliberal reform that deeply affected the country's economy, and the political reform expressed in the New Constitution of 1991. The next section reviews both.

### **3.4 REFORMS: MARKET DEVELOPMENT AND DEMOCRACY; OR, CAIN VS. ABEL?**

The need for institutional reforms in Colombia is self-evident. The social contract continues to be threatened by growing social unrest, and several failed trials to endorse peace agreements have proven that without deep changes in the country's political structure, peace and development will not be possible (Alesina 2000). The New Constitution of 1991 was for many the needed change; after a very interesting process lead by the civil society, the Assembly agreed to change the country's constitution to enhance democracy and inclusion (Angell, Lowden, and Thorp 2001). It was a time of hope in the midst of an extenuating hidden war. Decentralization was among the important changes promoted by the new constitution.

Likewise, in the early 1990s the government promoted a wide and profound economic reform. The "*Apertura*", as it came to be known, aimed at enhancing the role of the market in the country's development, and at clearly limiting the state's intervention in private affairs. Following neo-liberal prescriptions, the reform liberalized trade, introduced profound changes to the health and pension systems, and lessened labor market regulations (Montenegro and Peña 1999; Angell, Lowden, and Thorp 2001).

There were important continuous tensions between the two processes of economic and political reform. The conflict has to do with what is thought to be the priority for the country and

with those involved in the promotion of one or the other. Neoliberal and democratic policies are not necessarily divergent, but their basic principles are different enough to increase confusion and uncertainty in an already troubled polity, as it is in the case of Colombia.

### **3.4.1 New Liberalism: the market will create wealth for all**

Commenting on Colombia's economic reforms, and more particularly on the *Apertura*, S. Edwards pointed out:

*The dramatic opening up of international trade is, perhaps, the most impressive aspect of the Colombian reforms [and] what was supposed to be a slow gradual trade liberalization experiment, became, overnight, one of the most abrupt openings of international trade in the Western Hemisphere (Edwards 2001, p.47-48).*

As already mentioned, whilst for most countries in Latin America the 1980s were the lost decade, for Colombia it was a time of prosperity. Its economic model was definitively working better than those of its neighbors were (Montenegro and Peña 1999; Angell, Lowden, and Thorp 2001; Berry and Tenjo 1999; Williamson 1994). Even so, a wide and profound economic reform was promoted by the government in the early 1990s. Some claim that the *Apertura* was the result of a political trend promoted by major lender agencies, by which the old protectionist model was called to an end, rather than the result of an economic crisis (Edwards 2001).

In any case, following New Liberal principles, the role (and the size) of the state in economic matters was reduced, as the market must be the leading force for development. According to neo-liberal promoters, by improving the market's efficiency, wealth will be achieved, and as a result the entire society will be better off (Múnera Ruíz 2003)<sup>28</sup>. Equity is not a main concern within this model (Woller 1994; Gestures against reform 1996). Trade liberalization, abolition of exchange controls, financial, labor and state reforms, are central measures of the Neoliberal model and all of these were applied in Colombia (Corredor Martínez 2003; Edwards 2001; Montenegro and Peña 1999; Angell, Lowden, and Thorp 2001; Berry and Tenjo 1999)

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<sup>28</sup> For more on this argument please see, Hayek (Hayek 1985), Friedman (Friedman 1981), and the Chicago school.

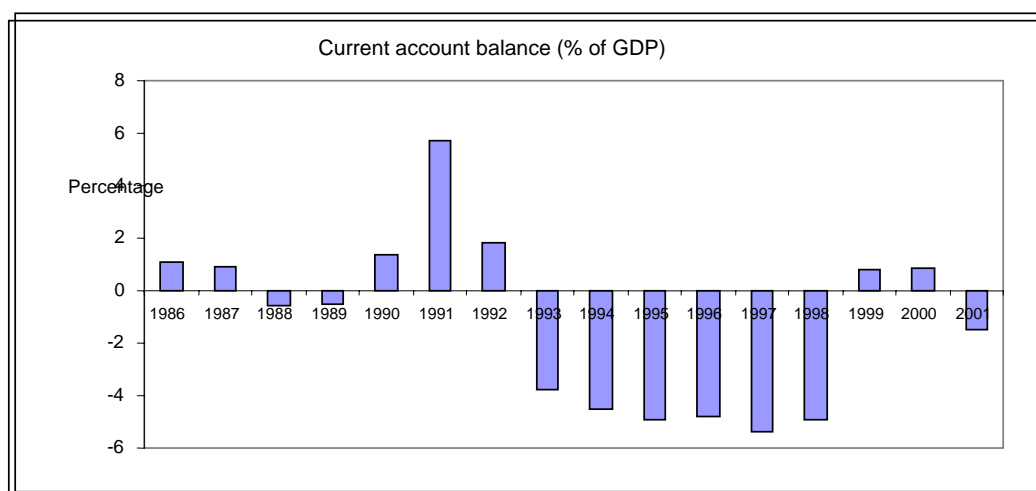
Maybe the most visible symbol of the *Apertura* was the drastic reduction in tariff and non-tariff barriers to international trade. In order to open the market, import' tariffs and surcharges were drastically reduced; by 1991, less than 3 percent of all imports were subject to import licenses (Matías Camargo 2001; Callahan and Gunter 1999). Table 21 presents the changes in tariffs and surcharges that occurred between 1990 and 1992.

**Table 21: Goods covered by Colombia's Tariffs and Surcharges 1990 and 1992**

Type of Goods	1990	1992
Consumption goods	53.2%	17.4%
Intermediate inputs	35.7%	9.9%
Capital goods	34.3%	10.3%
Total	38.6%	11.7%

Source: Hommes, Montenegro and Roda (1994).

Trade liberalization and financial reform attracted a flow of external capital that, with the enlargement of the State expenditure, increased significantly the demand for particularly commodities. This was often supplied by imported or smuggled international goods. The country moved from surplus to deficit in its trade balance, accumulating more than \$16 billion dollars of trade deficit by 1998. Imports were promoted and exports reduced, consequently internal production was reduced. Many industries moved into commercialization of imported goods and many others closed (Bonilla González 2003, p.209-210). Figure 19 illustrates changes in the trade balance during the 1980s and 1990s as percentage of GDP.

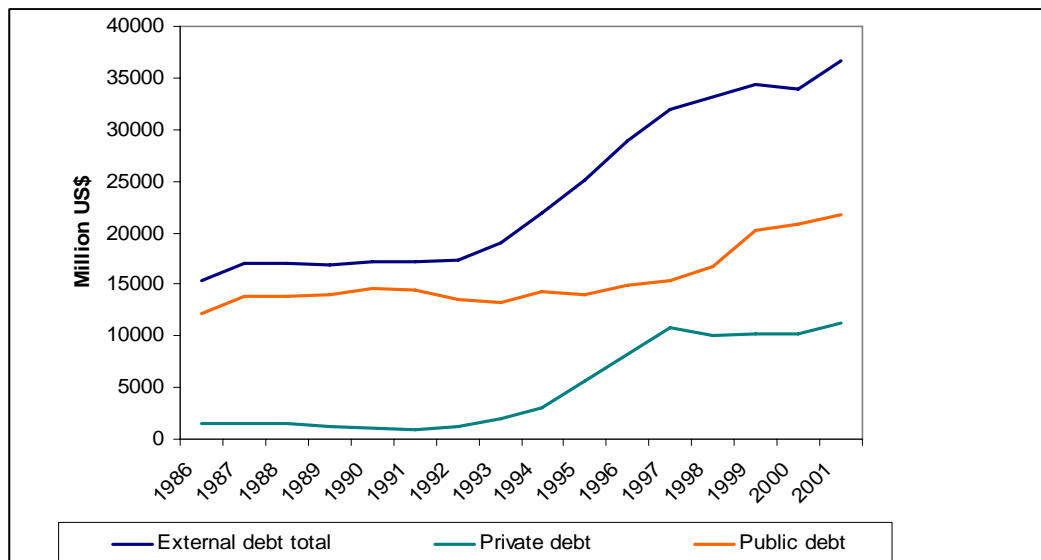


Source: data from the IMF, Statistics Yearbook, the World Bank, and OECD.

**Figure 19: Colombia's account balance 1986-2001**

Lastly, another factor that aggravated the trade balance in the country was the increase in government expenditures. Although one of the Neoliberal premises is the reduction of the state, in size and costs, government expenditure in Colombia grew from 24 percent of the GDP in 1990, to 35 percent in 2000 (Bonilla González 2003, p.211). Between 1991 and 1997, the public sector went from a surplus of 0.45 percent to a deficit of 3.5 percent. In order to cover this deficit, the state had to borrow money, which was scarce in the country as the private sector was also struggling to survive.

The draining of internal resources increased the external debt, particularly for the private sector, further complicating the trade balance. Figure 20 illustrates the public, private and total debt from 1986 to 2001.



Source: Built upon World Development Indicators database, consulted Jan.2005

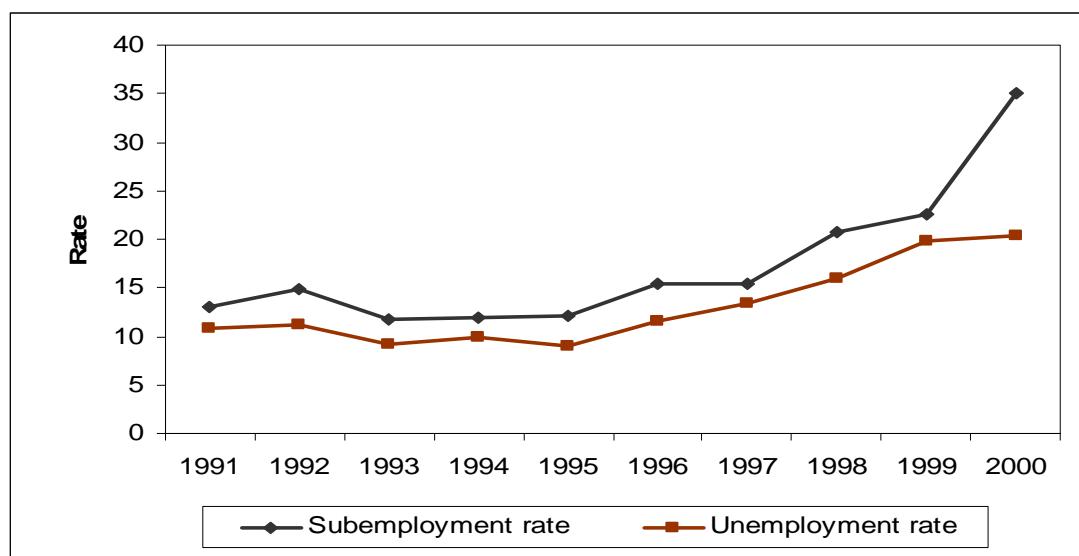
**Figure 20: Colombia's external debt, 1986-2001**

A plausible explanation for the increase in state expenditures is the demand created by the constitutional reform in regards to social investment. Traditionally, social investment was not a significant part of the state's investment. In fact, until 1990, the GDP share of social investment was lower than the regional average of 9 percent. Between 1977 and 1995, social investment always grew slower than the total public investment growth. The New Constitution of 1991

changed this trend, because by promoting decentralization they changed the amount of transfers from the central state to the regional and local levels (DNP-UNDP 1998, pp.92-95).

Another important piece of the *Apertura*'s agenda was the promotion of labor reform, as the rigidities of the labor market were regarded as a major obstacle for the internationalization of the economy (Montenegro and Peña 1999; Edwards 2001). According to an evaluation of the labor reform, one impact was that it reduced the cost of dismissal of an employee with ten years of service by 56 percent (Hommes, Montenegro, and Roda 1994).

Regarding stability and labor rights, it is said that the flexibility introduced by the labor reform led to a generalized process of massive layoffs and the substitution of wage-earner employees for other unprotected and cheaper types of labor. It increased the proportion of temporary jobs, and deteriorated the economic conditions of workers, reaching levels of informalization in 2000 higher than those of 1984 (Bonilla González 2003; Flórez Nieto 2002), as illustrated by figure 21.



Source: DANE and DNP, Colombia

**Figure 21: Colombia's sub-employment and unemployment rates 1991-2000**

As the overall market standards change, the labor market does the same. Highly educated, experienced, and/or specialized labor is preferred over low skilled labor; the result is the exclusion of a big proportion of people looking for jobs, due to their level of education or age.

Women and youth are the most affected, as women have had less access to education and youth lack experience (Bonilla González 2003; Robbins 1999). By the year 2000, people under 25, independently of their level of education, represented 44 percent of national unemployment. Table 22 presents the national unemployment rate by age, from 1991 to 2000.

**Table 22: Unemployment by Age- Total seven Metropolitan Areas 1991-2000 (September)**

Age Groups	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
From 12 to 17	23.8	20.7	18.4	19.1	21	31.8	29.1	33.3	42.2	44.7
From 18 to 24	18.4	18	15.7	14.5	16.6	22	23.7	29.2	36.3	34.8
From 25 to 55	7	6.6	5.4	5.5	6.3	8.8	8.9	11.1	15.4	16
From 56 on	3.9	3.5	3	2.7	4	4.6	5.9	9.2	10.4	14.1
<b>Total</b>	9.8	9.2	7.8	7.6	8.7	12	12.1	15	20.1	20.5

Source: DANE, ENH. [www.dane.gov.co](http://www.dane.gov.co) (accessed on Jan 2003)

By 1999, unemployment rates among less skilled workers were close to 36 percent. By 2000, of an estimated 1.4 million unemployed youth, only 49.3 percent finished high school (Báez R. 2001; Bonilla González 2003). Table 23 presents the level of unemployment by level of education and gender.

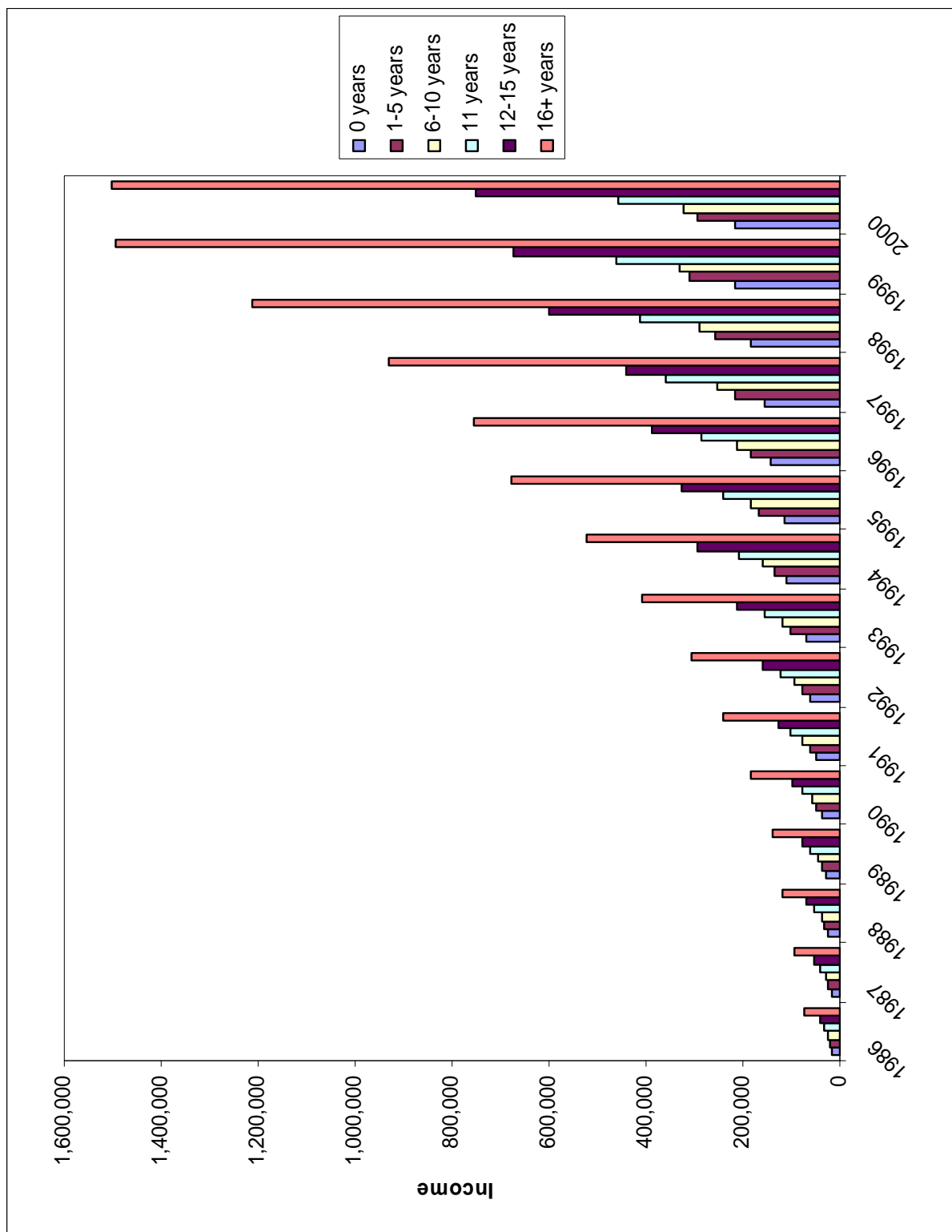
**Table 23: Unemployment by level of education and gender, 2000**

Education	Unemployed	Men %	Women%
none	80,417	46.1	53.9
Preliminary partial	344,103	45	55
Preliminary complete	431,388	43.6	56.4
Middle/High School partial	879,497	42.3	57.7
High School complete	951,918	40	60
College partial	287,267	40.9	59.1
College complete	190,509	46.2	53.8
No answer	5,266	63.9	36.1
<b>Total</b>	3,170,365	1,341,006	1,829,359

Source: Bonilla González (2003, p.225)

Income for those with more than 10 years of schooling grew significantly, while it deteriorated for those with less education, increasing the income distribution gap, as illustrated by Figure 22.

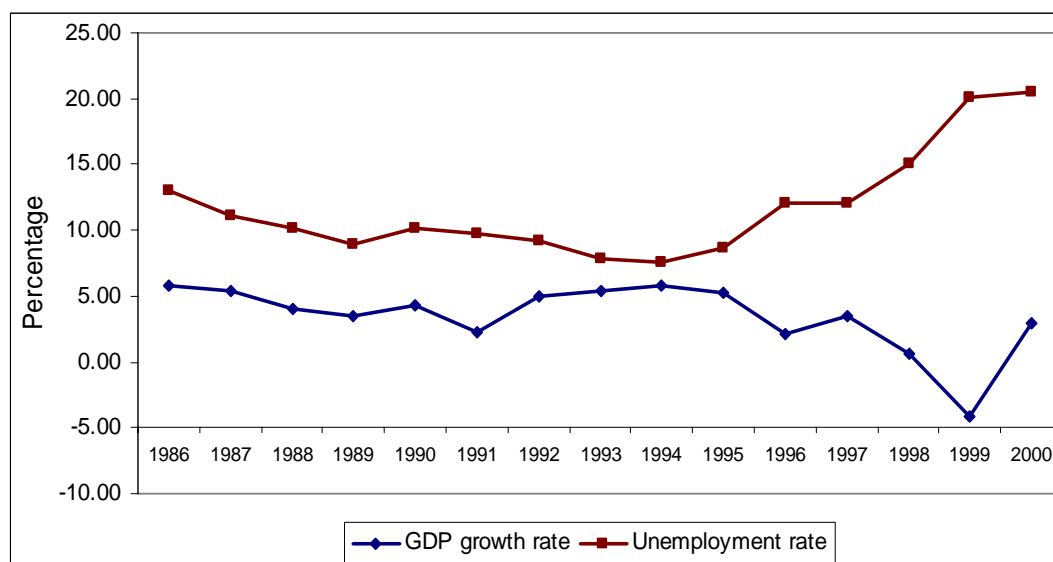




Source: data from DANE, ENH (households national survey)

**Figure 22: Income by years of school 1986-2000**

Finally, it is also interesting to notice that in Colombia, the relation between economic growth and growth in employment is not directly proportional. While in times of crisis employment growth decreased, as expected; in times of economic growth, employment increased proportionally or sometimes not at all, as illustrated by Figure 23.



Source: data from World Bank national accounts, OECD National Accounts data files and DANE, ENH. [www.dane.gov.co](http://www.dane.gov.co) (accessed on Jan 2003).

**Figure 23: Colombia's GDP growth rate and unemployment rate, 1986-2000**

There are important differences in the evaluations of the economic reform, yet what appears very clear is that after 15 years of continuous reform, the economy is in worse conditions than in the beginning. It may be because it has not been properly implemented, as argued by Biglaiser and Derouen Jr. (2004), or because it was not the priority change needed, as argued by Woller (1994), or because it was the wrong economic model to follow, as argued by Restrepo et al. (2003).

Independent of the righteousness or inadequacy of the model, the neo-liberal reform added a lot of pressure and uncertainty to an already troubled environment; it came at a time of political unrest and negotiations, and in parallel to the New Constitution of 1991, which created great expectations regarding political, social and economic participation and the state's role.

### 3.4.2 The New Constitution: Let us reinvent the country

The New Constitution of 1991 is another source of debate in the country; it is criticized and praised from people located in all positions within the political spectrum. What everyone agrees on is that *La Nueva Constitución*, as it is called, has had great impacts on the political and economic life of the country. In order to understand its significance, it is essential to review Colombia's recent political history.

Violence may be the most salient characteristic of Colombia's political history, from ancient times to the present. Nevertheless, there was a period in the country's recent history so violent that it came to be known as *La Violencia*.<sup>29</sup> It was a violent confrontation between members of the liberal and conservative parties, who were convinced that the enemy was anyone representing the opposite political party (Melo 1991; Guzmán, Fals Borda, and Umaña Luna 1962).

It began with the increasingly emotional campaigns of the two political parties, liberals and conservatives, which exacerbated the unhealed wounds from previous wars. The tension grew and the few mechanisms that did regulate political differences were destroyed and replaced by an armed conflict that affected mostly rural communities (Guzmán, Fals Borda, and Umaña Luna 1962). The beginning of *La Violencia* was aggravated by the assassination of Jorge Eliecer Gaitán, a popular liberal leader that symbolized the hope for social and political change, particularly for the working class.

Gaitán was assassinated in Bogotá on April 9 of 1948, and the city went through a terrible journey known as *El Bogotazo*. The assassination of the political leader of the emerging urban middle class provoked a terrible response from his followers, who expressed their anger by attacking churches, as they blamed the conservatives for his death. After that, the church put all its institutional weight on the side of the conservative government; liberals were denied the sacraments and one bishop even threatened to excommunicate those who voted liberal (Sánchez G. and Peñaranda 1986).

The country was all suddenly in the midst of an unrecognized civil war, which neither the government nor leaders of the political parties assumed responsibility for. The Conservative party in power did not openly support the increasing violence against liberals, nor did it openly

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<sup>29</sup> Sadly enough, there is at the present time a higher level of violence than during *La Violencia*; it is still to know what name would the historians choose for naming what is happening today in Colombia.

oppose it. In fact, conservative peasants could seize the land of liberals with impunity, and no liberal was guaranteed their basic rights (Kline 1995, p.44; Melo 1991, p.391). Consequently, as mentioned by Melo, it was a war without rules (Melo 1991, p.390).

The absence of any regulation of the conflict caused the emergence of unexpected forms of governance, such as the creation of an alternative government. On June 18, 1953, a guerrilla assembly approved an unofficial constitution for guiding the government of the Orinoco plains, and declared itself liberated from the conservative government. The liberals who were suffering prosecution because of their political affiliation celebrated the gesture.

A hierarchy of governmental bodies was created, and for many years after the end of *La Violencia*, the district councils created by the liberal guerrilla assembly were the main government for communities living in the zone. People looked to them to solve communal concerns, from services delivery to the administration of law (Melo 1991; Dix 1987; Arocha and Sánchez G. 1987). This is an important antecedent for understanding the complexity of the system of governance in the country. As of today, there is a piece of the country that remains “liberated,” the *República de Marquetalia*, governed by the FARC-*Fuerzas Armadas Revolucionarias de Colombia*.<sup>30</sup>

It is estimated that during *La Violencia*, which historians often locate between 1945 and 1958, more than 200,000 Colombians, mostly peasants, were killed (Arocha and Sánchez G. 1987; Kline 1996; Melo 1991). *La Violencia* officially ended in 1958 with the creation of the *Frente Nacional* (National Front) by the two existing parties, after a brief period of Colombia’s only military dictatorship of the twentieth century.<sup>31</sup>

The National Front was essentially an agreement to divide all national power equally between the two parties and to exclude any other political force. Only the traditional parties had authorization to represent political interests (Vázquez Carrizosa 1986; Bushnell 1993; Kline 1995). The agreement included the alternation of the four-year presidential term, and the division of ministerial jobs and Congressional seats between the two parties (Kline 1995, 1996).

As mentioned by Bushnell (1993, p.224), for some outside observers and some Colombians, the National Front rules represented, by nature, the very opposite of democratic principles.

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<sup>30</sup> Colombian Revolutionary Army

<sup>31</sup> By General Gustavo Rojas Pinilla, 1953-1958.

Nevertheless, this is how “democracy” was guaranteed from 1958 to 1974. This type of arrangement is known as *consociational* democracy (Kline 1996).

Consequently, the political *duopoly* institutionalized by the National Front was enforced by repressing any other political expression in the country. The state of siege became almost permanent, decisions were overcentralized, and public security became a permanent function of the military. Violence continued to be a common “political” practice (Arocha and Sánchez G. 1987, p.45). Additionally, due to this institutional framework, political competition became factions’ competition and factionalism flourished as never before, as did clienteles (Arocha and Sánchez G. 1987; Melo 1991).

At the end, this exclusive arrangement led to a gradual decline of the political legitimacy of the elites, as manifested in the electoral apathy and the rise of marginal resistance to the political system (Melo 1991). The percentage of voters who participated in congressional elections fell from 60 percent in 1958 to 31 in 1968, and the participation in presidential elections fell from 50 percent in 1958 to 34 in 1966 (Lozada L. 1980). The credibility of elections, if reflected by number of voters, had never recovered.

Finally, the gap between the state and civil society was expressed by the occurrence of over 340 *paros cívicos* (civic strikes) between 1971 and 1990 (García V. 1990; Giraldo, Camargo, and Naranjo 1985; Nickson 1995). Rural and urban communities articulated their common unrest through the *paros*, and they became events in which social strata and cultures were mixed. Finally, the whole *paro* experience became a new and very needed political space. There were *paros* promoted by the church, civic boards, students, peasants, native Colombians, and other groups (Giraldo, Camargo, and Naranjo 1985).

The 1980s were also a time of profound violence. The death rates during this decade were higher than those during *La Violencia* (Kline 1996, p.22). Yet they were also a time of a very active civil society. In 1983, a national assembly of civic movements and popular organizations called for measures that enabled real participation at the local level, based on the assumption that political involvement was likely to be easier at the sub-national level (Nickson 1995).

In response to the civil society’s increasing pressure, and in order to recover some legitimacy, modernizing factions within the political parties promoted important political reforms. In 1983, the regional tax system was restructured and popular elections for mayors were established by legislative Act 1 of 1986 (Correa and Steiner 1999). Decentralization was a

central point in the peace discussion between the government and the FARC;<sup>32</sup> finally, in March of 1988 the first direct elections of mayors in over a century took place (Nickson 1995, p.146).

The direct election of mayors represented two important political changes for the country. First, the mayors were no longer agents of the governors, who were agents of the president. This became a real opportunity to modify the political culture of the National Front (Urzúa and Palma R. 1997). Additionally, as people gained access to even few resources, and had the ability to elect local authorities, the social forces that were marginalized from the political arena gained strength. This started a campaign to reform the constitution to ensure a more inclusive democracy (Velásquez C. and González R. 2003), or maybe just a democracy.

In 1988, the constitutional reform was submitted for the consideration of the two houses of Congress, who dismissed it after two debate sessions. Civil society responded against Congress. A new student movement, which came to be known as the *séptima papeleta* movement,<sup>33</sup> promoted a campaign for electing a National Constituent Assembly with the authority to rewrite the constitution. The students called upon voters to include an extra ballot when they voted in the March 1990 Congressional elections. This signified that they supported the creation of a National Constituent Assembly; close to two million of “extra” ballots were submitted (Angell, Lowden, and Thorp 2001).

The political elites had no other choice than to include a formal ballot for a plebiscite in regards to the creation of a National Constituent Assembly empowered to change the constitution. On May 27, 1990, the day of the presidential election, 4,991,887 Colombians voted yes on the following question (Kline 1995, p.68):

*In order to fortify participatory democracy, do you vote for the convocation of a constituent assembly with representation of social, political, and regional forces, integrated democratically and popularly, to reform the Constitution of Colombia?*<sup>34</sup>

The elections for the National Constituent Assembly were held in December 9 of 1990, and the results were reflective of the socio-political moment at which they took place, as mentioned by Angell, Lowden and Thorp (2001, p.27). The 74 seats of the assembly were distributed as

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<sup>32</sup> As mentioned by Jaime Castro who was the Minister of Government at that time. Interviewed on Nov. 10, 2003.

<sup>33</sup> Alluding to the extra ballot that was added to the ballot box addressing the citizens' will to reform the constitution.

<sup>34</sup> Translation by the author from Matía Camargo 2001, p.42.

follows: the Liberal party was granted 25 seats; the Alianza Democrática M-19 (a reinstated urban guerrilla movement) was given 19; the Movimiento de Salvación Nacional (Conservatives) were given 11; the Partido Conservador (Conservatives) were given 5; the Independent Conservatives were given 4; and 10 were reserved for small and minority groups.

The assembly had three joint presidents, which were: liberal leader Horacio Serpa, AD M-19 (a former guerrilla movement) leader Antonio Navarro, and Conservative leader Alvaro Gómez (Angell, Lowden, and Thorp 2001, p.28). It is agreed among academics, members of the assembly, and politicians that the formulations of the New Constitution reflected a complicated bargaining process among disparate factions (see for example, Zalamea 1991; Matías Camargo 2001; Angell, Lowden, and Thorp 2001; Revéiz 1997). The New Constitution was promulgated in July of 1991 Kline gives the following description of the event:

*On July 4, 1991, there was a rush of euphoria as the Constituent Assembly presented the New Constitution. After the signing, as the national orchestra played Handel's 'Hallelujah Chorus,' television viewers saw members of the assembly —men and women, former guerrillas and kidnapping victims, indigenes and members of the oligarquía, Roman Catholics and representatives of the evangelical movement— embracing each other (Kline 1995, p.137).*

The New Constitution's most important concerns were enhancing democracy, decentralization and participation; its article first states:

*Colombia is a legally organized social state under the form of a unitary, decentralized Republic with autonomous regional entities, democratic, participative and pluralist, founded on the respect of the human dignity, in the work and the solidarity of the people who integrate it and in the prevalence of the general interest (Constitución Política de Colombia 1991).*<sup>35</sup>

The Colombian nation was defined as decentralized and several articles granted a new degree of political and financial autonomy to local governments. It established popular elections for governors and promoted the creation of new territorial entities, such as regions (groups of Departments), Provinces (groups of municipalities), Special Districts, Metropolitan Areas and Indigenous territories, among others. A new territorial law would define the new political and administrative structure, which sought to promote autonomy and democracy close to its constituencies (Correa and Steiner 1999). The New Constitution formally decentralized the State, as mentioned by Campbell (2003).

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<sup>35</sup> Translated by the author.

In order to further enhance democracy, the New Constitution called for the development of what are called 'Human Rights of third generation.'<sup>36</sup> Additionally, it strengthened the administration of justice with the provision of a new accusatory system, similar to the American, for replacing the previous Napoleonic model. It created the *Fiscalía General de la Nación*, similar to the U.S. Attorney General, to coordinate all law enforcement in the country; and also the *Defensor del Pueblo*, similar to the U.S. Ombudsman (Kline 1996; Angell, Lowden, and Thorp 2001). The New Constitution introduced new mechanisms for citizens to participate, such as local referendums, consultation and open town meetings, the right to remove mayors and governors from office, public watch boards, and a place in the municipal planning council (Velásquez C. 1994).

The New Constitution included special provisions for Bogotá, with the aim of closing the gap between the city's growth and its institutional development. The status of the city was changed from D.E. *Distrito Especial* (Special District) to D.C. or *Distrito Capital* (Capital District) to grant the city's political, administrative, and economic autonomy. Decentralization was considered key for the new city (Zubiría Samper 1994; Castro C. 1991). Transitory article No. 41 of the New Constitution mandated the Congress to legislate the new regimen by June of 1993. As the Congress did not accomplish this goal, a presidential decree promulgated the Régimen Especial para Santafé de Bogotá (the city's new special regimen) on July 21 of 1993.

The New Constitution brought great expectations in all corners of the country, particularly regarding the opening of the political system and the search for a more balanced representation of interests. The results of the New Constitution, and the Constitution itself, are a source of debate in the country; in general, there is disappointment about what has been achieved.<sup>37</sup>

Many contradictory arguments exist that try to explain the level of achievement, illustrate the debate, and present the many questions that remained unanswered:

- The process of legislating the constitutional ruling has been captured by those interested in keeping the power concentrated (Velásquez C. 1994, p.34);

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<sup>36</sup> Human rights of the third generation are more systemic, Vasak mentioned five related rights—the right to development, the right to peace, the right to environment, the right to the ownership of the common heritage of humankind, and the right to communication (Vasak and Alston 1982).

<sup>37</sup> For a serious evaluation of the New Constitution's positive and negative effects see Alberto Alesina *Reformas Institucionales en Colombia* (Alesina 2001).



- The legislation has been inconsistent, regarding the distribution of functions and resources and policy guidelines (Correa and Steiner 1999, p.240);
- The New Constitution created an economic structure inconsistent with an efficient and impersonal modern economy (Edwards 2001, pp.54-55);
- For some, the persistence of the institutional crisis, even after reforming the institutions, proves that what needs to be changed is the Colombian political class (Revéiz 1997, p.83);
- The fiscal deterioration faced by the country in the 1990s is a consequence of changes in the amount of transfers from the central government to the regions and municipalities mandated by the New Constitution (Alesina, Carrasquilla, and Echavarría 2000);
- The fiscal deterioration has been caused by the excess of centralism and the resistance to cede power. The central state bureaucracy has grown from representing 28 percent of the national current income in 1987 to 35 percent in 1995 (Castro, Jaramillo, and Cabrera Galvis 2001; Jaramillo Pérez 2001);
- There is a vacuum of accurate information regarding the results of the process, and there is not enough systematic research regarding it (Maldonado 2000).

It is likely that the process is just beginning, as mentioned by Velázquez (1997); or perhaps, as mentioned by Angell, Lowden and Thorp (2001, p.39), the intensity of the national debate shows that, in fact, the political reform is beginning to make a difference. In any case, a good summary of the current feelings, after all the expectations created by the political reform, is presented by Edwards:

*What is clear, however, is that the reformist enthusiasm and euphoria of the early 1990s are no longer there and that, as a consequence of a combination of factors, Colombia has seen its political, economic and social circumstances greatly deteriorate. (Edwards 2001, p.89).*

Bogotá appears to be eluding this description as there is a certain shared perception of success in regards to the city (see for example, Echevarría S., Rentería, and Steiner 2002; Jones 2002; Rojas 2002). Some examples of its achievements are, it was the first city in Latin America in signing a credit with the World in 1996. In June of 2000, it was awarded the Stockholm Challenge Prize

for Environment. In October 2002, the World Health Organization recognized its efforts in the reduction of violence; and in 2003, it was awarded a prize as model city from the UN.

How could this be? Does this reflect a successful process of decentralization? How has the city's system of governance changed? Has it changed? What are the lessons that the city has to offer? Undoubtedly, within the regional and national contexts, Bogotá is as an interesting case for learning about institutional and political change. The next chapter presents a general introduction to Bogotá, as Part 3 is dedicated to describing and analyzing what has happened in the city regarding the process of implementing a decentralization policy, and its impacts on the system of governance.

#### 4.0 BOGOTÁ: IS A CITY CLOSE TO THE STARS, OR JUST FAR FROM HELL?

*“A beautiful landscape that could be the envy of the world’s best cities, a chain of mountains that frames the city, an ideal weather, superb sunsets, rivers and streams crossing the city and the land, an awe-inspiring vegetation with a great variety of flowers...What else could one ask for? Is this perhaps the paradise? It could be, but no, it is almost hell.”*

Cepeda Ulloa (1995).<sup>38</sup>

Located on the highest plateau in the Colombian Andes, nearly 2,700 meters (8,660 feet) above the sea level, Bogotá D.C., Colombia’s capital, was founded by Gonzalo Jiménez de Quesada on August 6, 1538. It occupies an area of 173,000 hectares in one of the most fertile soils on earth. By the year 2000, it had a population of 6.5 million inhabitants, which represented around 17.5 percent of the country’s population. The city is divided in 20 *localidades* (administrative and political units), each one headed by an *alcalde local* (local mayor). In 2002 the most populated locality was Kennedy with 951,330 inhabitants; the least, La Candelaria had 27,450 inhabitants (Fundación Corona 2003, p.34).

The City Council and the Mayor head the government and are responsible for the administration of the city. The Council, with 40 members, 1 councilor for every 150,000 inhabitants, is the legislative branch of the local government and is in charge of the vigilance and control of local authorities. The Mayor is the head of the executive branch, directly elected for a four-year term.<sup>39</sup> The *alcaldes locales* (local mayors) are indirectly elected. It is the responsibility of each *Juntas Administradora Local* or JAL (local administrative assembly) to present three candidates to the city’s Mayor, from which he chooses the local mayor.

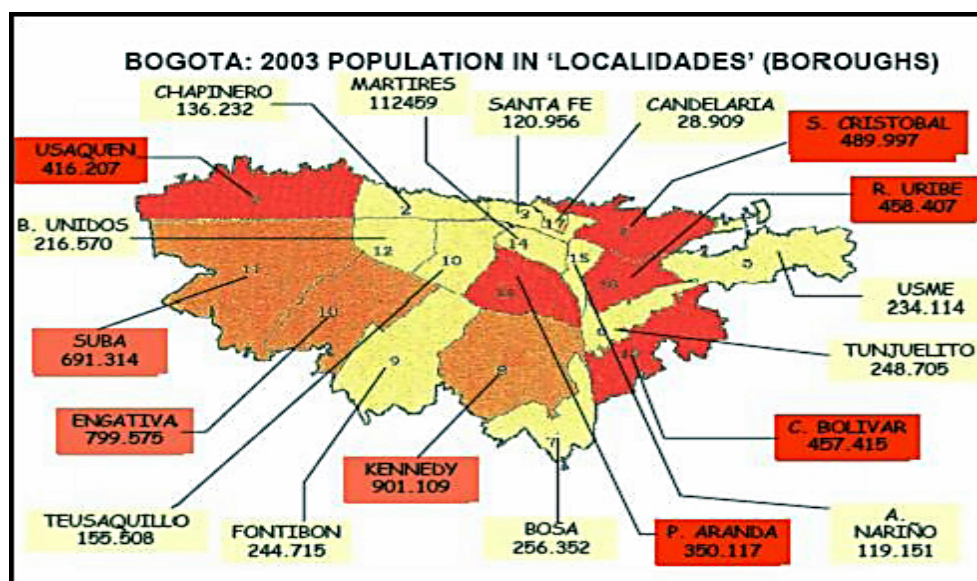
The size and growth rate of the city’s population, and its diversity, are critical elements for understanding its complexity. Figure 24 presents a map of the city’s population by *localidad* and

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<sup>38</sup> A free translation from the author.

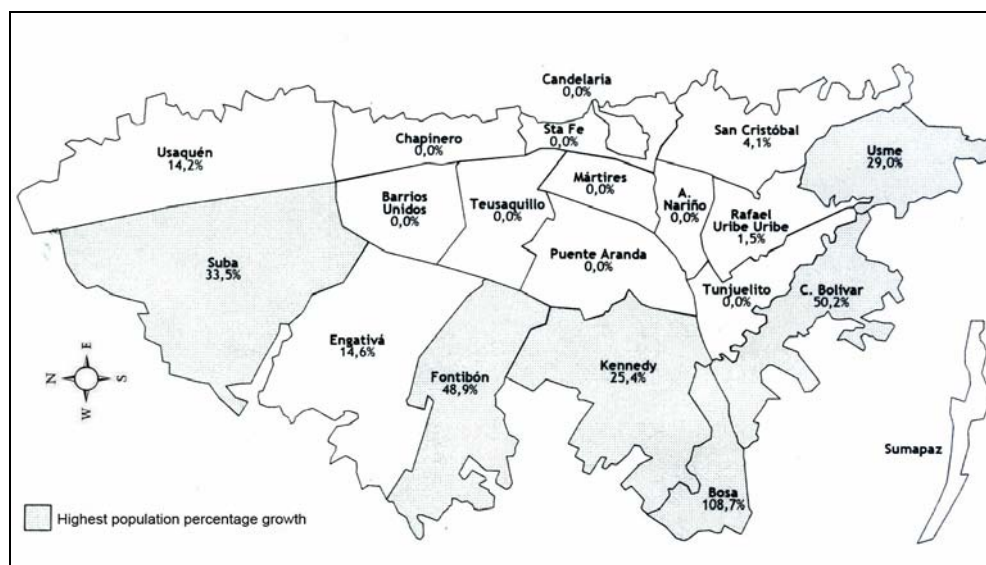
<sup>39</sup> Bogotá’s mayor used to be appointed by the national president until March of 1988; the length of the mayor’s term was change from three to four years in 2000.

figure 25 shows the population growth rate by *localidad* in 2000. Bogotá's map is traditionally presented with the north on the left, as a chain of mountains on the east serves as the main point of reference for the city's life.<sup>40</sup>



Source: DANE 2004

**Figure 24: Map of Bogotá and population in its 20 localidades**



Source: Bogotá Cómo Vamos 2000

**Figure 25: Population growth rate by localidad**

<sup>40</sup> For more maps and more info on the city please visit: [http://www.segobdis.gov.co/localidades\\_inf.htm](http://www.segobdis.gov.co/localidades_inf.htm)

The city's amazing mixture of poverty and prosperity, Maseratis and mules, makes it one of the world's most chaotic, fascinating and aggressive metropolises.<sup>41</sup> Bogotá is a multicultural setting, with high levels of migration, big social differences, and modern ideas that coexist with not old-fashioned power structures. While Bogotá has most of the general characteristics of other cities in Latin America, it presents interesting deviations from the region's pattern, making it a rather interesting case to examine, as mentioned by Gilbert and Dávila (2002, p.52).

First, Bogotá entered very late into the regional pattern of the capital's primacy. It is only until the second half of the twentieth century, that it became the prime city in the country. Its growth, demographic and economic, granted it predominance over other major regional cities. According to data from regional accounts, from 1980 to 1995 the country moved to a period of urban primacy in which Bogotá established as the country's main economic center (DAPD 1999, p.138). Nevertheless, Bogotá still has to compete with a number of regional rivals that control important political power in the Congress. Thus, Bogotá shares "prime" characteristics with cities like Buenos Aires or Mexico D.C., but it also shares some with secondary cities as Guayaquil.

Second, Bogotá's steady pace of population growth is bigger than most any other large Latin American cities. Bogotá quadrupled its population between 1951 and 1973. Its annual population growth rate was 7 percent between 1951 and 1964, and 6 percent between 1964 and 1973 (Dureau et al. 2002, p.336). Between 1985 and 1990, the city registered a demographic growth rate of 3.0 percent per year, while the country's population growth was only 2 percent (Puyo Vasco 1992, p.245). Bogotá is as dense as New York City with more than 100 people per hectare (Mohan 1994, p.40).

Third, regarding the city's management, it is claimed that Bogotá has had the advantage of having strong economic interests groups that have not allowed the political parties and factions to obstruct the city's development, at least in terms of its infrastructure. According to Gilbert and Dávila, Bogotá's economic interests have been protected by an undemocratic and technical bureaucracy that was effective in improving the city's services (Gilbert and Dávila 2002, pp. 52-57). The city has had a very centralized government with a history of functional decentralization.

Fourth, regarding the city's finances, Bogotá has had access to enough resources to finance major development projects. It has had the option of borrowing money from abroad since the

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<sup>41</sup> A comment on the city from: <http://www.bogota-dc.com/history/bog-his.htm>

early 1970s. Between 1971 and 1976, credits financed about 60 to 90 percent of investments. The availability of resources has been a critical element for preventing or at least maintaining control over the political and social struggles. From 1986 to 1995, the public debt of the city grew 687.4 percent (Contraloría Distrital 1996, p.13).<sup>42</sup>

Nevertheless, as mentioned, Bogotá was the first Latin American city in signing a credit with the World Bank, and it has received several awards that indicate the contradictory visions that the city generates. A first look into the city's process of urbanization, its economic performance, and its path to reforms may provide some clues for understanding its complexity and contradictions and serve as an introduction to the research findings. However first it is important to review the first distinctive element for the country and the city, violence.

#### **4.1 A NOTE ON VIOLENCE: HELL HAS SEVEN RINGS**

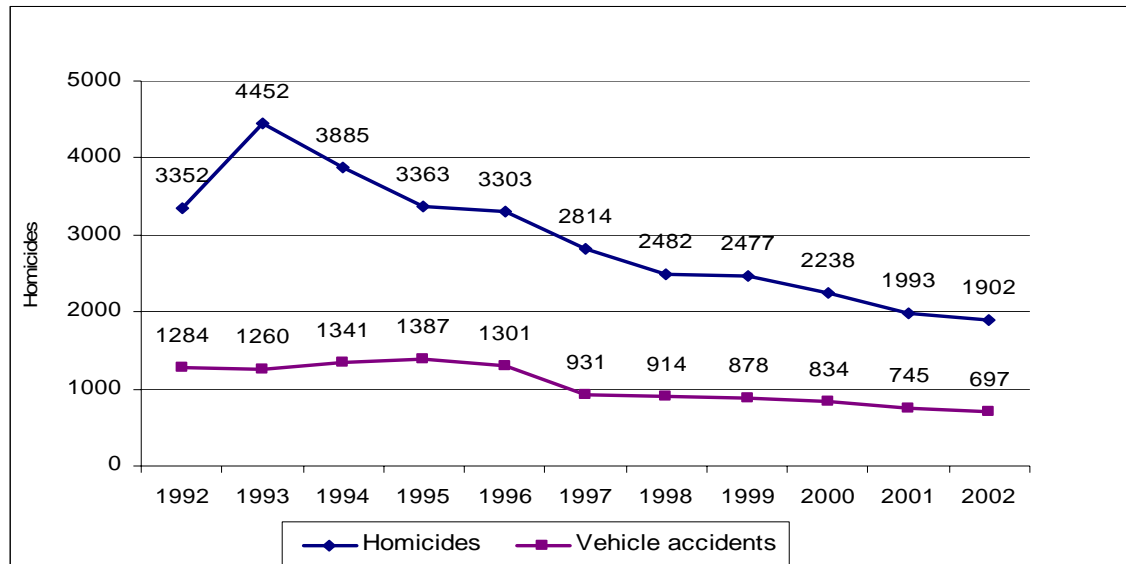
Historically people have climbed the mountains to come to Bogotá in search of protection, and, in relative terms, the city has been safer than any of the other main cities, particularly in the last two decades of the twentieth century (Gutiérrez, Guzmán, and Jiménez 2000). Nevertheless, in regards to safety, the city presents another interesting contradiction, as mentioned by Gilbert and Dávila, high rates of crime and violence are among the most prominent problems in the city (2002, pp.29-30).

Criminality grew and average of 5 percent from 1985 to 1994, although the city's homicide rate presents significant improvements when compared with the country average. In 1993, Bogotá had 4,452 homicides, less than 2,000 in 2001, and 1,902 in 2002. Bogotá ranks far better than other major cities in the country, in particular Medellín and Cali, but worst than most Latin American cities (DABS; PUJ 2003, p.37).

Figure 26 illustrates the reduction in homicides and vehicle accidents in Bogotá from 1992 to 2002.

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<sup>42</sup> My emphasis.



Source: DABS, (2003, p.37).

**Figure 26: Bogotá, homicides and vehicle accidents 1992-2002**

The last wave of migrants, the *desplazados*, added many pressures to the city. They created a significant increase in the demand for services, that the city may not have been prepared to fulfill. The worsening conditions of the country's public order brought Bogotá closer than ever to the country's problems, from which it appeared to have been safe and isolated (Gutiérrez, Guzmán, and Jiménez 2000).

New and already existing aggravating factors, that undermine the minimum identity required to constitute a polity, appeared or became visible in the city: the decline of civic organizations, capable of canalizing social conflicts and demands; the profound socio-economic divisions deepening; and the growth of poverty despite the city's economic performance (Segovia Mora 1994).

The city has invisible frontiers: the north where the rich live generally wealthy and safe. The south is generally poor and the south east is particularly poor. *El centro*, downtown, is the government's base during the day, and the *marginales'* land in the night.<sup>43</sup> The welfare of the city changes as one goes from north to south (Salazar J., Useche A., and López I. 1998; DAPD 1996; Campos and Ortiz 1998).

<sup>43</sup> As a reminder, *marginales*, are those that live in the margins, and there are many types of margins.

## 4.2 URBANIZATION: FROM RIVALING TO RULING

In order to understand the process by which Bogotá became a primary city, in a country known as cuadricephalic for most of the twentieth century, one must look at its demographics as well as its economic performance, two elements that are deeply intertwined. Bogotá's pace of urbanization has been greatly impacted by its demographics. It has, as of today, one of the highest rates of annual population growth in Latin America and historically, has had the highest rates of migration in the country.

It has been estimated that by 1980, close to 50 percent of the city's population were immigrants; 1,950,000 inhabitants, which represented more than a third of the total migrant population in the country (Gouëset 1998, p.65). The first wave of rural immigrants (from 1964 to 1973), accounts for more of the duplication of the city's total population, which amounted to 3 million inhabitants in 1973 (Dureau et al. 2002; Rincón Mesa 1999).

An important change occurred in the second wave on immigrants, as most of them were coming from other urban areas. From 1980 to 1985, 53 percent of the newcomers were coming from regional capitals (Dureau et al. 2002, p.338). The variation in the migrant's place of origin represented great variation in the ways that people were integrated into the city's systems and the impact that different waves of immigrants had on them.

In conforming with regional trends, the majority of immigrants, despite their origin, were and still are, young and women (Dureau et al. 2002). According to reports from HABITAT, social change and widespread rural poverty meant a disproportionate number of young women seeking employment in large cities. In Colombia, violence exacerbated this trend, increasing the number of female migrants. By 1993, there were 93 males for each 100 females living in Bogotá (Dureau et al. 2002, p.44).

To see the increase in women immigration, please see [Appendix C](#), which presents the city's total population growth by gender from 1964 to 2000. Table 24 illustrates growth and migration rates for Bogotá between 1970 and 2000.



**Table 24: Population natural growth and migration net rates 1970-2000 by quinquennia**

Quinquennia	Average anual growth rate (%)	Natural growth (thousands)	Net migration rate (thousands)
1970-1975	4.3	21.79	20.92
1975-1980	3.39	22	17.05
1980-1985	3.36	21.5	12.28
1985-1990*	2.53	18.82	6.48
1990-1995	2.09	16.36	4.53
1995-2000	1.72	14	3.23

Source: Estimated by DANE, as presented by (1978)

Bogotá's share of the country's urban population grew from 4.1 percent in 1938 to 22 percent in 1990, making it one of the densest cities in the world. With more than 100 people per hectare, at the beginnings of the 1980s, it was denser than New York (Dureau et al. 2002; Hataya et al. 1994; Mohan 1994). Table 25 presents Bogotá's share of the total and urban national population.

**Table 25: Bogotá's share of the national population, 1973-2000**

Year	1973	1985	1990	1995	1997	1998	1999	2000
<b>Colombia</b>	22,915,229	30,062,200	32,299,788	36,181,862	40,020,856	40,772,868	41,539,011	42,299,301
<b>Bogotá</b>	2,861,913	4,236,490	4,716,801	5,627,748	6,010,247	6,164,494	6,322,701	6,484,967
<b>% of total pop.</b>	12.50	14.10	14.60	15.60	15.02	15.12	15.22	15.33
<b>% of urban pop.</b>	21.1	21.6	22.0	nd*	nd	nd	nd	nd

Source: DAPD, with data from DANE . \* no data available

The beginning of Bogotá's primacy is dated by Gouëset to be 1964; that is, when its population growth started to be clearly faster than the other three main cities, Medellín, Barranquilla, and Cali. Since then, this trend has increased (Gouëset 1998, p.152).

Table 26 illustrates the emergence and consolidation of Bogotá's primacy.

**Table 26: Colombia: index of urban primacy<sup>44</sup> 1950-1990**

	Index and populations 1950	Index and populations 1960	Index and populations 1970	Index and populations 1980	Index and populations 1990
<b>(Bogotá)</b>	<b>0.7</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>1.2</b>
<b>Bogotá</b>	647,429	1,682,667	2,892,668	4,122,978	4,851,000
<b>Medellín</b>	397,738	948,025	1,475,740	1,963,873	1,585,000
<b>Barranquilla</b>	305,296	543,440	789,430	1,122,735	1,019,000
<b>Cali</b>	245,568	633,485	1,002,169	1,367,452	1,555,000

Source: National population censuses.

Bogotá's population growth is obviously a central factor in the city's increasing primacy; nevertheless, it is a factor that needs to be contextualized. Traditionally, people have come to Bogotá in search of a better life; maybe because they were misinformed of the real conditions offered by the city as mentioned by Cardona Gutiérrez and Simmons (1978), but often encouraged by a family member who has already migrated. The latest wave of newcomers, *los desplazados* (the displaced) deserves particular attention, as this population has arrived massively to the city in search of refuge from the increasing violence in the country.

#### **4.2.1 Running to the highlands: *desplazados y marginales***

The latest wave of people running from violence and poverty, *los desplazados* (IDP) have been particularly notorious due to the intensity of the problem and the fact that international agencies have acknowledged the problem within the global context. It is very likely that those that came before were also *desplazados*, but they were not politically recognized as such (Arquidiócesis de Bogotá and CODHES 1997).

Bogotá is the area that receives the most *desplazados* (IDP) in the country. It is estimated that more than 37 displaced families arrive in the city every day, and that the city has received some 480,000 *desplazados* since 1985, giving it the highest concentration of *desplazados* (23 percent of the country's total displaced population) (Norwegian Refugee Council 2004, p.4).

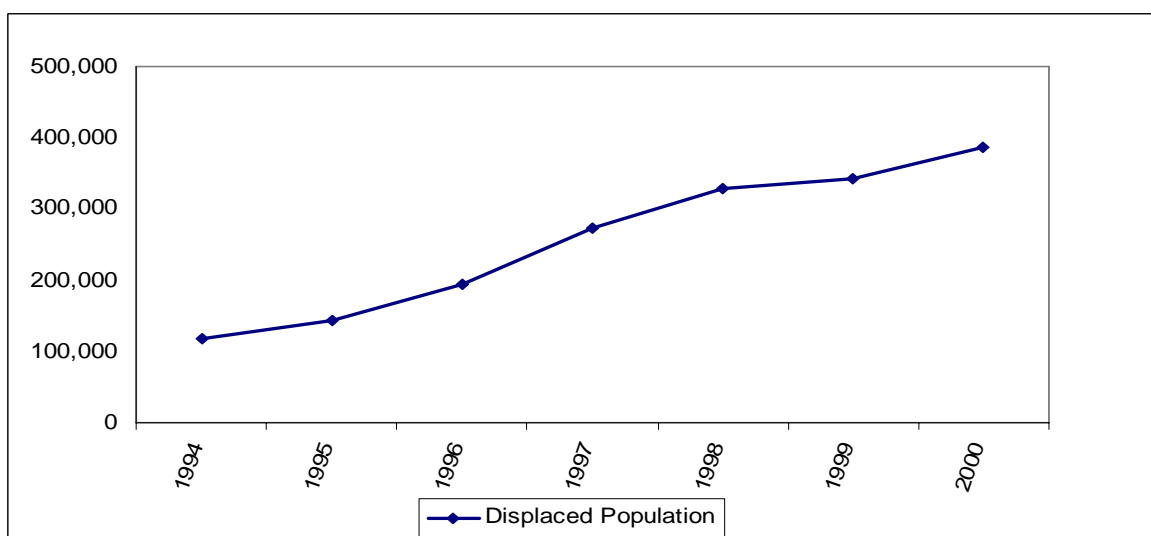
<sup>44</sup> The primacy index was calculated by dividing the biggest city's population by the other three aggregated as presented by Flórez Nieto and Méndez 2000, p.76.

Table 27 presents the number of *desplazados* that arrived in Bogotá between 1994 and 2000; figure27 illustrates the trend.

**Table 27: Bogotá: Displaced Population Increase**

Year	Pop. Increase	Cummulative	% of Total	Families (5 people per unit)
1985 to 1994	117,000*	117,000	16.7	19,500
1995	26,455	143,455	29.7	5,201
1996	50,680	194,135	28	10,136
1997	78,850	272,985	30.7	15,750
1998	54,570	327,555	17.7	13,642
1999	33,143	343,155	6.9	3,120
2000	43,780	386,935	18	nd.

Source: Database from CODHES [www.codhes.org.co/](http://www.codhes.org.co/)



**Figure 27: Bogotá: incoming IDPs, 1994-2000**

An examination of the profile of the IDPs reveals that they are mostly women and children, unskilled and unprepared to face the harsh conditions imposed by a marginal urban life. The majority are from rural backgrounds and between 40 to 50 percent end up in cities, with no real prospects for returning to their homes (Arquidiócesis de Bogotá and CODHES 1997). In Bogotá, 65 percent are women and 70 percent are under 19 years old (Arquidiócesis de Bogotá and CODHES 1997; Museo Nacional de Colombia 2001). Additionally, results of a survey

conducted by CODHES showed that 38 percent of the displaced families had a woman as head of household (Arquidiócesis de Bogotá and CODHES 1997, p.51).

As mentioned, *los desplazados* find themselves among the poorest of the urban poor; enlarging the pool of unemployed and the so-called informal sector (UNCHR 2003; Murad Rivera 2003; Museo Nacional de Colombia 2001).

When they first came to Bogotá,<sup>45</sup> they settled on main avenues, hoping that someone would understand the breadth of the problem and do something. Later, they moved to the city's margins and remained there as *desplazados*, a new citizens' category. The city started tracking their arrival in 1994 (Arquidiócesis de Bogotá and CODHES 1997). They came to Bogotá in search of safety and employment. Bogotá has the lowest homicide rate in the country, the steadiest economy, and the largest job market. Though it may be too close to hell for Cepeda Ulloa (1995), it is far enough away for the *desplazados*.

#### **4.3 ECONOMIC PERFORMANCE**

##### **FROM THE LAZY DUCK TO THE PRODUCTIVE SWAN**

Bogotá's relative isolation, due to its high location and physical inaccessibility, in addition to the country's strong regionalism, provided the city with certain autonomy, but kept it far from the country's main economic activities for the first half of the twentieth century. Its main role in the economy was determined by its status as the capital and the base of the central government. It was only after the economic crisis of the 1980s that Bogotá clearly became the economic core of the country.

As the country's economy moved into the third sector (finances, commerce, and services), Bogotá's economic role became dominant. At the beginning of the twentieth century, the Colombian economy was basically rural; in 1929, agriculture represented 53 percent of the GDP. By mid century it became agro-industrial; in 1945, agriculture represented 47 percent of the GDP, while industry represented 16.5 percent. In 1970, agriculture represented 25.1 percent of the GDP, industry 20.7 percent, with an emergent and growing third sector concentrated in Bogotá (Gouëset 1998, pp.211-212). By 1985, Bogotá was home to 35 percent of industry and

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<sup>45</sup> I remember.

more than 50 percent of the financial market; its economic activity accounted for 21 percent of the total GDP (Secretaría de Hacienda Distrital 2003a., pp.9-10).

Bogotá is the sixth largest market in Latin America; it generates a quarter of Colombia's GDP, and employs a quarter of the national labor market (Cámara de Comercio de Bogotá 2003). Table 28 presents Bogotá's contribution to the national GDP by sector from 1985 to 2000 (quinquennia).

**Table 28: Participation of Bogotá in the National GDP by Sector, 1985-2000**  
(quinquennia)

Year	Manufacturing Industry %	Electricity and Water %	Construction %	Commerce %	Banks Insurance Services %	Transportation storage communication %	Total GDP %
1985	23.3	17.6	16.0	20.0	33.5	25.7	20.8
1990	24.3	17.0	24.5	19.9	41.6	24.5	21.0
1995	27.2	22.4	35.4	25.4	47.4	26.4	23.7
1998	26.4	23.1	28.7	25.8	46.9	26.5	23.1
1999	26.4	22.7	30.4	26.8	49.1	27.5	22.7
2000	25.0	20.8	36.3	25.5	50.1	27.9	22.8

Source: Data from DAPD(2000).

It is claimed that an additional factor in the consolidation of Bogotá as the primary city in the country was the impact that the *Apertura* and the neo-liberal model had in the traditionally industrial cities, such as Medellín and Cali. Bogotá had several advantages in dealing with the challenges caused by economic reform; it depended more on the goods and services market, it had a more diversified industry, it had the biggest internal market, and it had a strong net of small and medium enterprises (Gouëset 1998). Additionally, its core has not experienced the regional dispersal of manufacturing industries; indeed, there has been a trend for manufacturing employment to concentrate no further than 50 km from Bogotá (UN-HABITAT 1996, p.52).

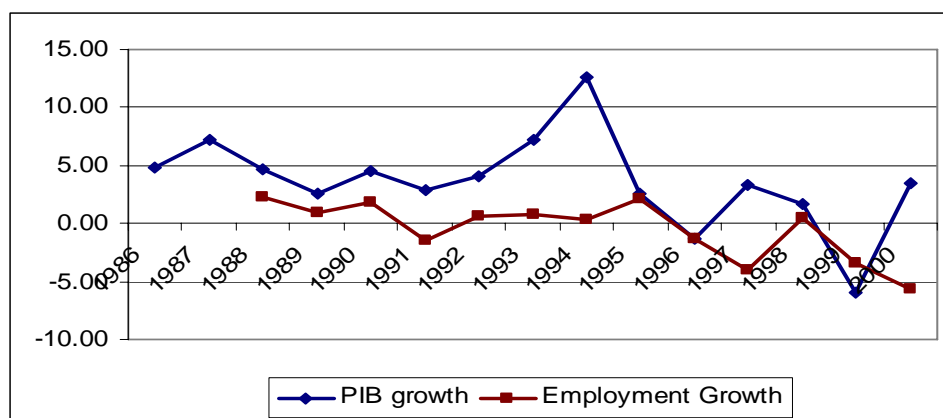
The economic primacy of Bogotá was substantiated by the economic census of 1990; its data showed that the city produced 49 percent of the national industrial income, more than 50 percent of the financial market transactions, 28 percent of the wholesale commerce market, and 23 percent of the retail market. Bogotá also dominated the higher education market. It had more than 40 percent of the country's college and university students, and more than 65 percent of the graduate students, from which 79 percent attend private schools and 21 percent public schools.

Finally, most of the research centers are also concentrated in Bogotá (Gouëset 1998, pp. 285-291).

The economy of Bogotá is no doubt a growing economy, though not necessarily a strong one. Its dependence on the internal market makes it very susceptible to changes in the country's economy, and its reliance on the third sector makes it unstable (Cámara de Comercio de Bogotá 1999). It has been also claimed that this rate of economic growth will collapse the city's infrastructure, and that the concentration of the country's economy in just one "Tibetan" place, entails a lot of risk for both the country and the city (DAPD 1999, p.142). Finally, although the city is known today as the country's major financial, cultural, and industrial center, this status is not quite consistent with its level of unemployment, and employment in the informal sector.

#### 4.3.1 Employment, Unemployment, Quasi-employment

Bogotá's status as the economic center of the country is cause and effect of a dramatic increase in the demand for employment in the city. It is sound to expect that as the economy grows, so should employment opportunities, since the tendency is to associate production with labor. Although when looking at economic and employment growth rates in Bogotá, what becomes apparent is that economic growth does not necessarily entails more jobs, as illustrated by figure 28; it is particularly interesting to draw attention to the disagreement to the situation in 2000, where there is a negative relationship between economic growth and employment.



Source: data from DANE and SDH (2003; 2003a.)

**Figure 28: Bogotá's GDP growth and Employment growth rates, 1986-2000**

Additionally, labor productivity, which refers to the relation between GDP and the number of people employed, increased notoriously in the 1990s. At the beginning of the 1980s, the value added by workers, in constant 1999 currency, was 160 million per year. By 1985, labor productivity reached 229 million. During the 1990s the growth was steady, from 248 million in 1991 to 276 million in 1995 and to 352 million in 2000 (Secretaría de Hacienda Distrital 2003a., p.28).

Several factors explain the increase in labor productivity. For example, less labor can produce more if there is a clear change in technology and/or human capacity; this is not the case of Bogotá. In agreement with Latin America's trends, the city increased its labor productivity by lowering salaries and reducing labor-associated costs. Temporary employment also showed a dramatic increase, raising from 7,000 to 19,000 (a 172 percent increase) from 1991 to 2000 (SELA 1998; Secretaría de Hacienda Distrital 2003a.). While the workforce grew, the labor conditions deteriorated, affecting the size and quality of the job market.

The proportion of the working-age population (WAP)<sup>46</sup> increased from 73.1 percent of the total population in 1976 to 77.7 percent in 1999. From 1980 to 1986, the WAP grew 0.6 percent points more than the total population, and between 1991 and 1996, 0.7 percent points more. In general the working-age population has been growing faster than the total population in the city (Gutiérrez, Mejía, and Díaz 2000, pp.5-6). Table 30 shows the total population and WAP growth rates for the 1980s and 1990s.

**Table 29: Bogotá's total population and WAP growth rates**

	1980	1986	1991	1996	1999
<b>Total Population (percentage growth)</b>	3.2	2.1	2.2	4.1	2.3
<b>Working Age Population (percentage growth)</b>	3.2	3.7	2.1	4.9	2.2

Source: Oficina de Estudios Económicos, SHD (2000)

In this period, the average age of the economically active population (EAP) changed from 32.7 years in 1976 to 35.2 years in 1999. This change is more drastic in the feminine EAP, which

<sup>46</sup> According to DANE, the working age population in the urban areas consists of those 12 years old or over; although the International Labor Organization established the minimum working age at 15.

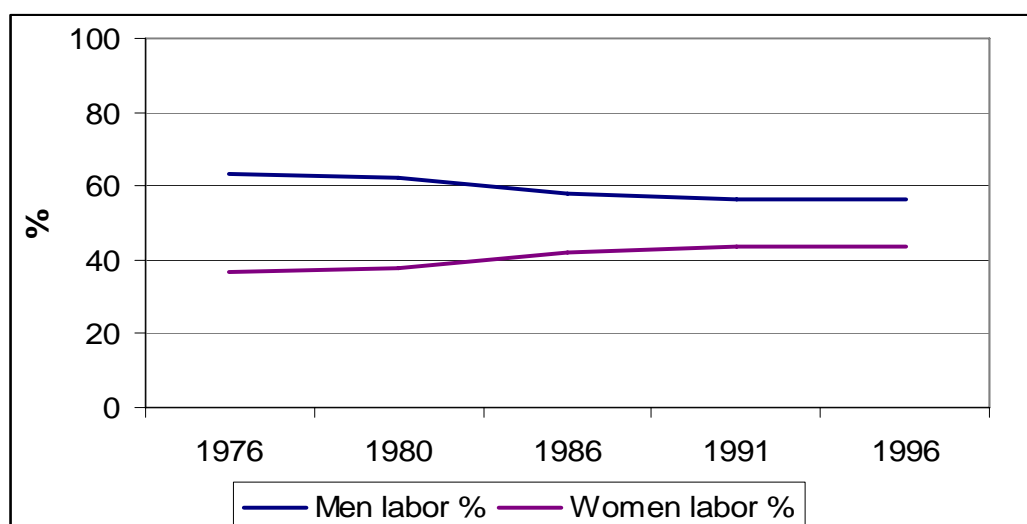
increased by 4.9 years, while the masculine registered an increase of 1.5 years (Gutiérrez, Mejía, and Díaz 2000, p.9).

When observing the growth of the EAP, it is clear that the feminine labor force has increased at a faster rate than the masculine. Between 1976 and 1980, while the masculine labor force grew at an annual average of 5.4 percent, the feminine increased at a rate of 6.4 percent. Between 1996 and 1999, the feminine labor force grew by 6.9 percent, 5.7 percentage points over the masculine (Gutiérrez, Mejía, and Díaz 2000, pp.7-8). Table 30 presents the EAP growth and job market participation by gender, and figure 29 illustrates the feminization of the labor market.

**Table 30: EAP growth and participation by gender, 1976-1999**

Year	Men			Women		
	Total	Growth (%)	Job market Participation	Total	Growth (%)	Job market Participation
<b>1976</b>	665881	N/A	63.3	386246	N/A	36.7
<b>1980</b>	821398	5.4	62.4	494162	6.4	37.6
<b>1986</b>	1096137	4.9	58.2	787249	8.1	41.8
<b>1991</b>	1255648	2.8	56.6	963292	4.1	43.4
<b>1996</b>	1586054	4.8	56.5	1220091	4.8	43.5
<b>1999</b>	1642433	1.2	52.5	1488941	6.9	47.5

Source: Oficina de Estudios Económicos, SHD (2000p. 8)

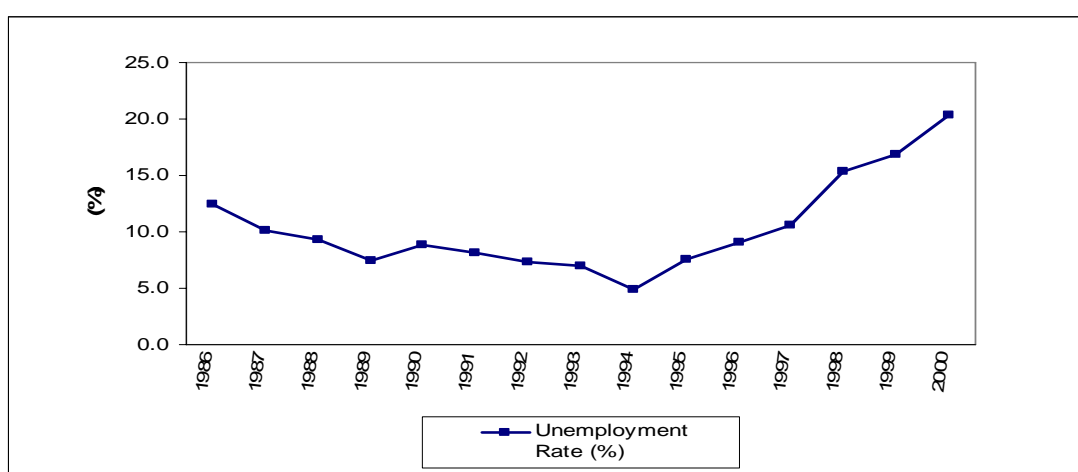


Source: previous data

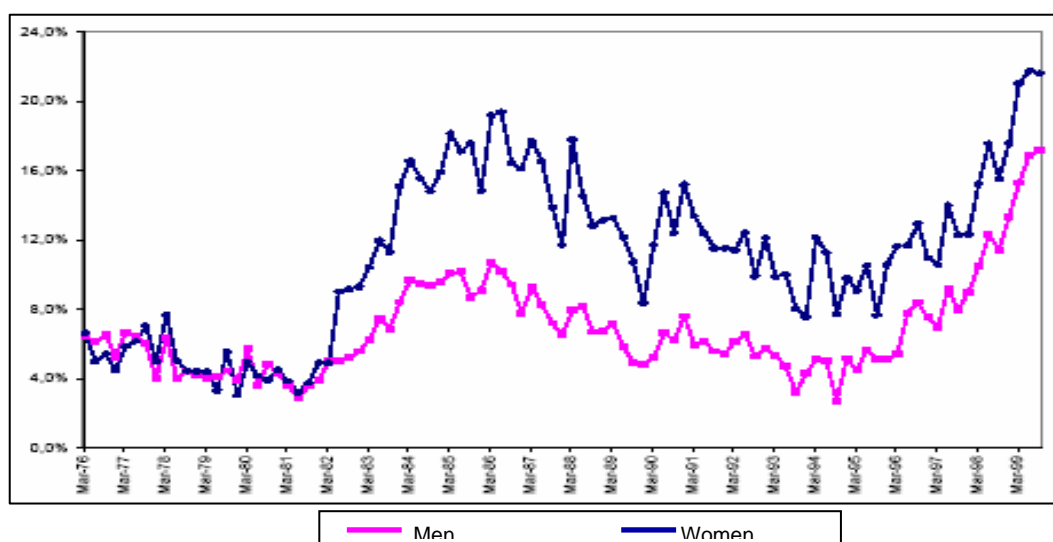
**Figure 29: Job market participation by gender**



The level of unemployment has also steadily risen. By the year 2000, the unemployment rate was 20.3 percent. Women's unemployment rate has always been higher than men's have; between 1995 and 1999, it was 13.9 percent for women, compared to 9.5 percent for men. The most educated have traditionally had the lowest rates of unemployment. Nevertheless, between 1986 and 2000, the biggest increase of unemployed was among those having 11 or 12 to 15 years of education as more professionals joined the unemployed pool (Gutiérrez, Mejía, and Díaz 2000, pp.9-12). Figures 30 and 31 illustrate the total unemployment rate, and unemployment growth rate by gender, respectively.



**Figure 30: Bogotá's unemployment rate, 1986-2000**



Source: DANE, ENH

**Figure 31: Unemployment rate by gender, 1976-1999**

How do people find a way of living when the formal economy does not provide employment opportunities? They join the so-called “informal sector,” that, as mentioned, refers to a form of income generation that “*is unregulated by the institutions of society, in a legal and social environment in which similar activities are regulated*” (Portes, Castells, and Benton 1989, p.12, emphasis in the original).

One of the main indicators of the inclusive city promoted by the UN’s campaign in urban governance is the creation and promotion of laws and programs aiming at incorporating the informal sector. In Bogotá, this has been a long-lasting subject of conflict, which reached confrontation during Enrique Peñalosa’s administration. When a forceful mobilization of a deeply depressed zone in the core of Bogotá’s downtown *El Cartucho* was performed, involving the military, the city’s firefighters and the police in confrontation with those living there.

When asked about provisions of his government for incorporating the informal sector, he claimed that,

*Informality creates insecurity and deterioration of the public space that affects the poorest, as no one from strata 4, 5, or 6 walks in downtown; it is the poor who have to catch a bus and deal with insecurity. Informality, in the form of street vendors, is like a cancer that promotes insecurity and disorder; they are structured in very violent mafias. No one will come or invest in a city invaded by disorder. There is a clear correlation between disorder and criminality<sup>47</sup>.*

The rising level of unemployment and informality, and the problems associated with the *desplazados* arriving in the city, has had multiple consequences, including an increase number of poor, deterioration of the income distribution, and new pressures on the city’s government. The next section briefly reviews the level of poverty and inequality in the city. Further exploration and analysis of these factors is presented in [Chapter 8.0](#), as they are selected indicators for assessing equity in the city for this study.

### **4.3.2 Poverty and Inequality**

Bogotá’s quality of life does not reflect its status as the economic core of the country. Bogotá is today one of the most unequal cities in the country; 80 percent of the employed population earns

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<sup>47</sup> Interview conducted on Nov. 4 of 2003

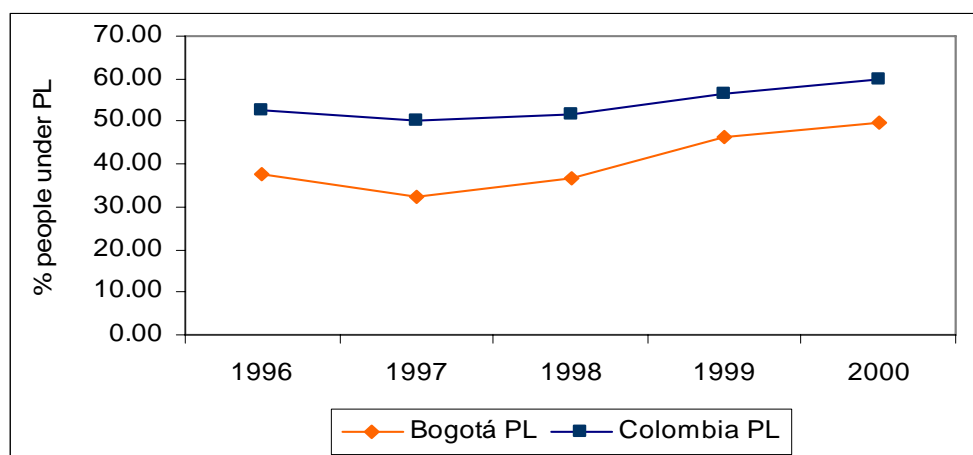
less than double the minimum wage, and the wage gap has increased. The unemployment rate has steadily risen and the informal economy is the main source of new employment.

The economic crisis noticeable in particular at the end of the 1990s, and the consequent rise in unemployment, increased the number of poor. Between 1998 and 2000, the population catalogued under the Poverty Line (PL) and Indigence Line (IL) grew considerably. It has been estimated that the city has around 4 million people living in poverty (Cámara de Comercio de Bogotá 2003, p.12). Table 31 presents the number of poor and indigent in Bogotá from 1991 to 2001; figure 32 presents a comparison between Bogotá and Colombia by the number of people under poverty line.

**Table 31: Bogotá, Percentage below Poverty line and Indigence line, 1991-2000**

Year	Poverty line	Indigence line
1991	37.40%	n.d.
1992	46.50%	10.90%
1993	42.40%	7.70%
1994	40.50%	7.40%
1995	40.00%	7.60%
1996	37.83%	7.54%
1997	32.40%	6.10%
1998	36.60%	7.80%
1999	46.26%	13.18%
2000	49.60%	14.90%

Source: SHD (2003, p.15)



Source: data from SHD (2003, p.18)

**Figure 32: Colombia and Bogotá, people under poverty line PL**

Bogotá has a system for classifying the population accordingly to its socio-economic status that enables for planning and directing the city's investments. There are six strata, starting at one for those with fewer resources and going to six for those with more; Bogotá's population strata distribution, from 1997 to 2000, is presented in Table 32.

**Table 32: Bogotá, population by strata, 1997-2000**

Strata	1997		1998		1999		2000	
	%	Population	%	Population	%	Population	%	Population
Without stratum	1.05	63,039	1.05	64,656	1	66,316	1	68,018
1	6.52	391,810	6.52	401,865	7	412,179	7	422,757
2	35.73	2,147,701	35.73	2,202,819	36	2,259,353	36	2,317,337
3	44.01	2,644,836	44.01	2,712,713	44	2,782,333	44	2,853,739
4	7.53	452,460	7.53	464,072	8	475,982	8	488,198
5	2.99	179,497	2.99	184,104	3	188,829	3	193,675
6	2.18	130,905	2.18	134,264	2	137,710	2	141,244
<b>Total</b>		<b>6,010,247</b>		<b>6,164,494</b>		<b>6,322,701</b>		<b>6,484,967</b>

Source: DAPD, based on data from EAAB.

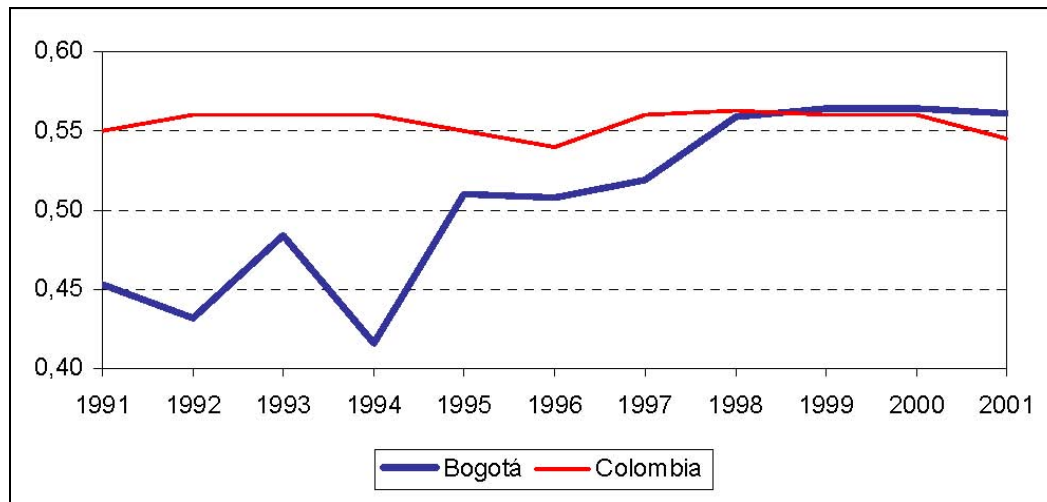
Traditionally, stratum 2 and 3 corresponded to the middle and lower-middle class and had most of the city's population. As of the year 2000, 49.6 percent of the city's population was poor and 14.9 percent lived under the poverty line<sup>48</sup>. In absolute numbers 3,190,170 people were poor, and 959,238 lived under the poverty line. In summary, the city had more than 4 million poor which illustrates the deterioration of the middle class standard of living (Fundación Corona 2003, p.8).

In conforming with regional and national trends, poverty in Bogotá is associated with an unfair distribution of wealth and income. By the year 2000, the GINI index in the city was 0.564; the income share for the the poorest quintile's was 2.3 percent, while the richest quintile was 63.5 percent (DAPD 1999, p.146). Gilbert and Dávila called the level of equality in Bogotá obscene, which seems a quite accurate term when one considers that besides the gap in income

<sup>48</sup> Reminder: according to ECLAC, poverty lines represent the minimum income required for members of a household to meet their basic needs; they are estimated from the cost of a basic food basket plus the estimated amount of resources required by households to meet their basic non-food needs. The indigence line, or under the poverty line, represents the cost of the food basket; people who are indigent (or extremely poor) are those who live in households whose incomes are so low that even if they spent all their money on food, they would not be able to meet the nutritional needs of all their members (ECLAC 2002).

distribution, there are even more violent forms of exclusion that are manifested in the notable disparities of power and social recognition among citizens (Gilbert 1996, p.56).

Figure 33 illustrates the deterioration of income distribution in Bogotá, which occurred side by side with its consolidation as the economic core of the country.



Source: DANE, ENH and DIOGS (DNP) y DAPD

**Figure 33: GINI index for Colombia and Bogotá (not adjusted)**

Inequality is so notorious in Bogotá that by having contact with two *Bogotanos* one might believe that they belong to two complete different cities, from their accents, to their attires, habits, and experiences with the city. And, to some extent there is more than one Bogotá; in north Bogotá, European restaurants and American malls are cultural landmarks and in south Bogotá, unregulated settlements proliferate<sup>49</sup> and people go to *el centro* (downtown) on the weekends and rarely go north.

The New Constitution of 1991 aimed at enhancing democracy at all levels. In an effort to recognize Bogotá's complex problems and institutional needs, special provisions for the city were included in the new chart; decentralization was mandated for the city. The next section presents a brief introduction to the reform, as chapters 7 and 8 are dedicated to review and analyze the process of implementing the reform and its impacts on the city's governance.

<sup>49</sup> The most notorious of which is Ciudad Bolívar, which in 1991 had 1,280,000 inhabitants, a quarter of the city's population, dwelling in more than 180 *barrios* (neighborhoods) from which 75 percent were informal settlements (Puyo Vasco 1992).

#### 4.4 REFORMS: A PRIVILEGED CINDERELLA

Capital cities in Latin America commonly have a different status than any other city in the country; this difference is meant to reflect that the capital houses the national government, hosts the core of diplomatic representations, and is usually the main receptor of immigrants (Myers and Dietz 2002). In the case of Bogotá, its status has been changed several times, not so much in search of the best politico-administrative structure for the city, but, as argued by Pedro Santana, a Colombian researcher, as an outcome of the struggle between the two dominant parties for controlling the city's electoral districts and funds (Santana R. 1988, p.152-153).

The city was granted a special status for the first time by Law 17 of 1905, which declared the city as Capital District, gave it independence from the *departemento* (state) where it is located, *Cundinamarca*, and established its direct dependence from the national government. The department opposed and contested this decision for two reasons; Bogotá was its main source of income and was also the core of liberal activism in the middle of a conservative department and country. In consequence, the status of the city was changed again by Law 65 of 1909, when the Congress returned Bogotá to *Cundinamarca's* jurisdiction.

During the constitutional reform of 1945, the status of the capital was discussed again, and, apparently, the main discussion was once more to separate or not to separate Bogotá from *Cundinamarca*. They decided to grant the status of Special District (D.E.) to Bogotá; it was no longer subject to the municipal regime, and was allowed to annex six surrounding municipalities. However, a series of political incidents and struggles hindered the ruling of the constitutional mandate.

In 1954, General Rojas Pinilla, through presidential decree No. 3640, officially sanctioned Bogotá's new status as Special District (D.E.). According to the decree, the mayor and half of the city's council members were to be appointed by the president, giving to the head of the national government great control over the city, but also granting the city independence from *Cundinamarca*. The independence that was questionable, however, as Bogotá remained the capital of *Cundinamarca*, both economically and politically.

Decree 3640 of 1954 permitted to implement the annexation of the six surrounding municipalities granted by the constitutional reform of 1945.<sup>50</sup> With the aim of facilitating their incorporation into the city, and to protect their identities, the figure of *alcaldes menores* (minor mayors) was created. It is common knowledge that no real power was attributed to the *alcaldes menores*, and the city's government stayed highly centralized until the 1990s, when the New Constitution promoted decentralization in Bogotá. The annexation of these municipalities serves in illustrating the origins of the city's complexity and contradictions; its main source of growth has been the incorporation of individuals or communities with their own unique identities, resulting in the lack of a common identity and difficulties reaching the minimum consensus for a polity to survive.

In 1968, a new constitutional reform modified the fiscal relationship between Bogotá and *Cundinamarca*, mainly by giving the president control over public expenditure at all levels, national, departmental, and local. This reform reinforced the already strong presidentialism in the country (Santana R. 1988, p.154). Additionally, this reform restructured the city's administration, which remained mostly the same until 1991. Decree 3133 of 1968 ratified Bogotá as Special District and the capital of the country and *Cundinamarca*, divided the city into twenty *alcaldías menores*, ruled that the city council was to be elected by the people, and organized the administrative structure of the city by secretariats, administrative departments and three control boards (Gouëset 1998, pp.185-186).

In 1987, the city council voted positively on an administrative reform<sup>51</sup> presented by Julio César Sanchez, the last appointed mayor. The aim of this reform was to open the administrative structure of the city, to promote participation, efficiency, and welfare. In order to do so two major changes were proposed: first, the enhancement and democratization of the sub-local units of government, *alcaldías menores*; second, the strengthening of the city's fiscal and financial management.

This reform promoted the institution of *alcaldes zonales* (zonal mayors), an enhanced figure of the *alcaldes menores* (minor mayors). It created zonal funds, which provided certain capacity of investment and autonomy for the sub-local administrative units, and it also created the *Juntas Administradoras Zonales* (zonal administrative boards), whose members ought to be popularly

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<sup>50</sup> The annexed municipalities were Fontibón, Usme, Bosa, Suba, Usaquén and Engativá.

<sup>51</sup> City council Agreement 08 of 1987.

elected, and would be in charge of creating the zonal development plan and linking it to the city planning.

On March 17 of 1988, the Administrative Board of *Cundinamarca*, as Bogotá was still its capital, voted to suspend the reform, on the argument that, as the city depended directly on the national government, only the national Congress had the right to legislate the reform and not to the city council (Santana R. 1988, pp.173-175)

Finally, transitory article No. 41 of the New Constitution mandated that Congress legislate a new regime for the city by June of 1993. Because Congress did not accomplish this goal on time, César Gaviria, by presidential decree, promulgated the *Régimen Especial para Santafé de Bogotá* (the city's new statute), on July 21 of 1993 (Mockus S. et al. 1997). Many of the elements introduced by the New Constitution and sanctioned by the city's new statute were proposed in 1988; the 1991 reform was important because this time the reform was promoted within the framework of a major political change in the country. The New Constitution was the beginning, at least in theory, of a process of deepening democracy in the country; decentralization was the main strategy, and Bogotá was set to be an example.

The key and distinctive elements of this reform are the explicit promotion of decentralization and democratization within the city; a preferred strategy for accomplishing these goals was to create tools and mechanisms for citizen's participation (Gouëset 1998). To explore and learn from the process of decentralization in Bogotá, as well as to describe and evaluate the impacts of it on the city's system of governance, are the main objectives of this study. In order to do so, Part 2 aims to define the conceptual framework for this study. Chapter 5.0 presents the literature and research review on the central concepts for this study: decentralization and good governance, and chapter 6.0 presents the research design and methodology.



## PART II



## CONCEPTUALIZING THE TERRAIN

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## 5.0: LITERATURE AND RESEARCH REVIEW

*“Decentralization has quietly become a fashion of our time. (...) It is being attempted where civil society is strong, and where it is weak. It appeals to people of the left, the center and the right, and to groups which disagree with each other on a number of other issues.”*

James Manor, 1999.

Decentralization and good governance are public policy concepts; they are intended as “prescriptions” for identified problems regarding governing. Decentralization is the policy trigger. Good governance is supposedly an ideal outcome or indicator of the success of particular policies, such as democratization or decentralization. Assuming a normative approach, the problem that this study deals with is *how to promote good governance?* The underlying practical problem is the adequacy of decentralization as the policy to do so. The focus of the study is the relation between *decentralization* and *good governance*.

Differences in the definition of the problem for which a decentralization policy is intended, but even more importantly, differences in the basic assumptions underlying the policy design, explain the variation of definitions and arguments that surround this relationship. Likewise, when referring to governance, differences among theorists and practitioners are mainly based on two issues, the role attributed to the state and the discipline’s perspective.

Regarding the relationship between decentralization and governance, many arguments support the implementation of decentralization policies and, directly or indirectly, support the belief that it enhances or creates good governance. Yet, there are also arguments questioning the validity of decentralization as a recipe for all, and in particular developing countries, in regards to the enhancement of governance. In order to contribute to this debate, this study analyzes the process and impacts of the decentralization reform of the system of governance of Bogotá, with the aim of presenting evidence regarding the limits and possibilities of this policy for enhancing good governance.

This chapter presents a review of the literature and research regarding decentralization and (good) governance, and on the relation between these concepts. The questions this chapter aims to answer are:

- What is decentralization?
- What is good governance?
- What are the main arguments on the relationship between decentralization and good governance?
- What evidence from research supports or refutes those arguments?
- What is the practical importance of this debate?

## 5.1 DECENTRALIZATION

Decentralization is a process of state reform that entails changes in the structure, functions, and mechanisms of decision-making regarding public issues (Ottenberger-Rivera 1997). Depending on the arguments supporting the reform, and the underlying assumptions, different strategies and emphases would be adopted (Bennett 1990). By reviewing the literature on decentralization, it is possible to identify three main lines of argumentation, for supporting or questioning the implementation of this reform; the first is political, the second is managerial, and the third is economical.

In general, those advocating one preferred argument acknowledge the existence and importance of the other two. However, their goals and strategies for policy implementation would differ, as they differ in their basic assumptions behind promoting the reform, therefore differing in their definition of the problem itself.

- *From the Political argument:* Decentralization is considered a central policy for democratization, as it brings the state closer to its constituencies, promotes a more horizontal structure of power, by opening new spaces for participation, and increases accountability and transparency. For those advocating decentralization as a political reform, in Latin America, it is the means to democratize distant, and frequently seen as illegitimate, central governments, and

to offer participation to those excluded under imperfect democracies (Finot P. 2001; Smith 1985; Velásquez C. 1994; Peterson 1997; Campbell 2003; Carrión 2003; Manor 1999)

- *The managerial argument:* Decentralization is considered a tool for improving the state's performance and efficiency, two central goals of the overarching state modernization reforms implemented from the mid 1980s on. In theory, decentralization improves the capacity of the system because it includes more actors in the identification of public concerns and in the design and implementation of solutions; it promotes transparency and accountability in the administration, and makes the system more responsive and responsible (Reilly 1995; Escobar and Alvarez 1992; Cochrane 1983; ILPES 1995).

- *The economic argument:* In regards to the developing countries, the argument that decentralization is a central reform for economic development was added to the debate. The state must concentrate on its own matters and let the market do its job of creating wealth; naturally, the market is more efficient in the creation of capital, as this is its reason for existence. Decentralization will contribute to the economy by weakening constraints that the central government imposes on the market. Additionally, the cost of market intervention is inefficiency and fiscal deficit. Neo-liberal theories and policies are the main promoters of using decentralization to reduce the state's intervention in the market (Udehn 1996; Buchanan and Tollison 1984; Buchanan, Rowley, and Tollison 1987; Buchanan and Musgrave 1999; Buchanan 1988, 1986; Angell, Lowden, and Thorp 2001)

Although it is clear that these arguments intersect with each other and usually coexist, the fact is that they convey deep theoretical and ideological differences. Depending on which of them is at the base of the reform, the model of implementation will completely differ as well as its outcomes and impacts.

Decentralization is not a coherent and uniform proposal; in practice, it takes different shapes, and different strategies are preferred for its promotion. Three distinct models of implementing decentralization emerged as dominant from reviewing Haldenwang (1990), Cheema and Rondinelli (1983), Montero and Samuels (2004), Bennet (1990; Bennett 1994) and others.

The models that vary according to their underlying assumptions are:

1. *Economic decentralization*

Purpose: to limit the state's regulatory and distributive functions, releasing the fiscal budget and giving freedom to the market

Forms:

- a) Privatization – the transfer of power and responsibilities to private groups or companies;
- b) Deregulation- the transfer of decision competences to the market

2. *Administrative Decentralization:*

Purpose: to improve efficiency, particularly regarding the allocation and appropriation of resources

Forms:

- a) General deconcentration- the transfer of competences to lower levels of government
- b) Functional deconcentration- the transfer of functions to local branches of national institutions
- c) Delegation- the transfer of certain powers to para-state agencies of the central state

3. *Political Decentralization:*

Purpose: the creation and promotion of new forms of participation at the local and/or regional levels

Forms:

- a) Political delegation- the transfer of specific functions to para-state institutions where the political parties and/or interest groups have influence
- b) General devolution: the transfer of competences to autonomous and legitimately elected sub-national political units
- c) Functional devolution- the transfer of decision-making power to local institutions

It is clear that decentralization is a complex concept that refers to a multidimensional process, which is presented in a variety of combinations, and its application is very much open to discussion. The definition adopted for this study, based in Montero and Samuels (2004), Bennet (1990), Morris and Lowder (1992) and my own experience is:

*Decentralization* is a multidimensional, and not necessarily consistent, process of political and administrative change which has a variety of combinations that may or may not occur simultaneously, and is promoted for pursuing a range of, not always compatible, goals.

As presented in [Chapter 2.0](#), decentralization was a central policy for the promotion of democracy and state modernization, the two more important changes affecting Latin America in the 1980s and 1990s. It was also a central policy promoted by the New Constitution of 1991 in Colombia, and the main goal set for Bogotá (see chapters [3.0](#) and [4.0](#)).

## 5.2 GOVERNANCE

This study focuses on the concept of *democratic or good governance*, a concept that refers to both government responsibility and civic engagement; it is informed by the premise that the way in which interactions among stakeholders and their interests are managed expresses the quality of a political regime. From a normative approach, the challenge is to create systemic relationships that improve the quality of life of the many actors involved and ensure social sustainability; to promote good governance.

Although academics and practitioners trace the roots of this term, in English, back to the seventeenth or eighteenth century, the term *governance* has progressed from obscurity to widespread usage since the late 1980s. It is now used in nearly every setting, from corporate to global (Polèse and Stren 2000; Plumptre and Graham 1999; Balbis and Sánchez León 2000; Mayntz 1998; Feiock 2004; Pierre and Peters 2000). For a long time governance and governing were used as synonyms; as the state was the unique player in regards to public issues. Accordingly, a widely accepted definition of governance is *the art of steering societies and*

*organizations* (Pierre 2000). For some this is still a valid and contemporary definition; for others, this definition does not fit the socio-political patterns that have emerged from globalization and democratization anymore.

Two “new” meanings have emerged for the concept of governance, in response to new definitions of what is public and what is private, and how the interactions among stakeholders should work. The first new definition refers to a nonhierarchical mode of governing, where non-state actors participate in the formulation and implementation of public policy (Rhodes 1997). The second refers to forms of organization that are not necessarily non-hierarchical, but that may or may not include the state, i.e. governance without government. James Rosenau distinguishes government 'activities backed by formal authority' from governance, or 'activities backed by shared goals' (Rosenau and Czempiel 1992).

A new definition of governance that intends to encompass all of the above is, “*the process by which human beings regulate their interdependencies in the context of shared environments. Each environment is a source of values shared by the members of a community*” (Feiock 2004, p.19). The interactions within any community define a system of governance that could be based on coercion, competition or cooperation, depending on the commonly accepted values. Clearly, the level of consensus within the community will influence the stability and inclusiveness of the system. Today governance refers to multiple stakeholders with shared and conflicting interests.

The normative nature of this concept keeps its meaning very dynamic and diverse bodies of knowledge have tried to use their basic assumptions to define it. Differences among theorists and practitioners in the public realm appear to be based mainly in two issues, the discipline’s perspective and theoretical body supporting it, and the role attributed to the state. The literature, as well as the research carried out on governance, present a diverse combination of these elements, resulting in a spectrum of meanings for the term. As mentioned by Peters and Pierre, “*There are perhaps as many different views of governance as there are scholars interested in the subject*” (Pierre and Peters 2000, p.28).

In general, it is possible to identify two clear positions, with interesting variations within: the first, is a state-centered position that attributes the central and critical role in the system of governance to the state. Variations of this position may or may not acknowledge the existence of other actors in the system and the role attributed to them. Under this perspective, *governance* is

the art of public leadership, and the leader is the state; it is the job of the state to provide direction and guidance to society. Consequently, the political regime and the government's capacity are central elements of (good) governance (Pierre and Peters 2000; Domínguez and Lowenthal 1996; Peters and Savoie 1995b). Most political scientist believe in the state-centered perspective; Guy Peters, a prestigious representative of this position, asserts that governance implies employing mechanisms for providing coherent direction to society, and that this is a state's function, even with the changes that decentralization and globalization have produced in the structures of government. Peters and others argue that nation-states and their governments should play a major and dominant role in the system of governance (Pierre and Peters 2000; Peters 2001).

The second is a polycentric position that attributes the central role in the system of governance to different actors from the civil society to the market, depending to a great extent on the discipline's perspective. The state may or may not be a player (March and Olsen 1989, 1995; Rosenau and Czempiel 1992; Crenson 1978). Polycentrism describes a pattern of governance that emerges from the interactions of multiple independent centers of authority (Feiock 2004, p.21). The polycentric perspective is more multidisciplinary; academics and practitioners from a variety of disciplines, such as sociology, anthropology, political sciences, and social psychology, discuss how governance should be and who should be the leading actor. Nevertheless, there are important differences in the attribution of roles. As mentioned, for some, the civil society should play the central role, such as for the theorists of social capital, who consider a strong civil society a guarantee for good governance (Putnam, Leonardi, and Nanetti 1993; Crenson 1978). For others, governance is more of a game of power, where competition, conflict and negotiation are basic elements, as in the case of Neo-Marxists and rational choice theorists. Finally, globalization theorists assert that supranational institutions play a central role in governance, as they are the guarantors of universal values and are in charge of balancing national differences and interests (Cable 1999; Keohane 1995; 2002; Held and McGrew 2000; Held 1999).

The changes in the role and functions of the central state, introduced by the state reforms that were promoted in developing countries during the last two decades of the twentieth century, have a lot to do with the dynamic nature of this concept. This is especially noticeable in Latin America, where the structural reforms of the state deeply changed its functions and those of



every other social and political actor. In general, *governance*, and even more accurately *good governance*, describes new forms of institutions which have emerged in developing countries, which have included many stakeholders in public decisions acknowledge the fact that the public is no longer a synonym of state or government (ILPES 1995; Cunill 1991, 1995). A polycentric approach appears more adequate for describing the systems of governance in Latin America.

Despite differences, there is consensus among academicians and practitioners that there is a need for promoting good governance in developing countries as a way for dealing with complexity and promoting development. Consequently, many efforts have been undertaken, particularly by main international agencies, for achieving this goal. However, what does good governance mean?

### 5.2.1 Good Governance

The term *good governance* is a normative interpretation of the term *governance*<sup>52</sup> that was introduced primarily by the international development agencies with the aim of indicating what is “*good*” or “*better*” and “*what should be done*” to achieve it (Polèse and Stren 2000; Dixon, Goodwin, and Wing 2003; 1999). A basic statement underlying this prescriptive perspective is that good governance requires democracy to exist; as a result, the term good governance is used, in literature and in practice, as synonymous with democratic governance (see for example, Jewson and MacGregor 1997, Institute on Governance 1998, 1999, 2000; Fukasaku and Hausmann 1998; Rodríguez and Winchester 1997; Domínguez and Lowenthal 1996).

It is not easy to trace the conceptual boundaries of the term good governance due to its relatively recent appearance and its intersection with three other key concepts: social capital, governability, and government. Lets us explore these concepts in order to better differentiate between them:

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<sup>52</sup> Although the term governance carries also a normative stance.

- *Social capital* is a term that refers to civil society, as differentiated from the state and the market (Putnam, Leonardi, and Nanetti 1993). The World Bank states that Social Capital is not just the sum of the institutions that underpin a society, but the glue that holds them together; the more a community or group can act as a coherent and cohesive system, the better partner they will be in governance relationships. Social Capital is a concept that refers to potential, while governance refers to action.

- *Governability* originally referred to the government's capability for performing its functions, including exercising authority over the actions of the members of a polity, directing the affairs of the state, the maintenance of public order, and the promotion of the common welfare. An efficient government will facilitate and promote good governance. Likewise good governance will call for higher governability. Nevertheless, governability is also understood as the capacity of a society to be governed; if the civil society is, or may be, a central actor for governance, how governable a society is will also define the quality of the system as a whole.

- *Government*, as mentioned by Peters and Pierre, should not be taken to mean the same as governance (Pierre and Peters 2000, p.29). A cross-national study conducted at the Institute on Governance by Plumptre and Graham, found that a common tendency was to use governance as a synonym of government. The authors suggested some of the unfortunate consequences of this confusion; while government refers to the current authorities in power, and usually, the structures through which they execute their functions, good governance involves interactions between formal governmental institutions and those of civil society (Plumptre and Graham 1999) <sup>53</sup>. Governance is a more inclusive concept that refers to socio-political dynamics, and that requires acknowledging the existence of other legitimate actors. Finally, the government may or may not be a part of the system of governance.

Defining good governance may be easier than defining governance, as this concept entails the application or achievement of certain goals considered being “good”. Even so, once more the “how to” and “who is in charge” are the source of important differences in the prescription. [Appendix D](#) presents a table summarizing definitions of governance and good governance used

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<sup>53</sup> For more about its projects or to find the document referenced please visit [www.iog.ca](http://www.iog.ca)

by international development agencies. The following definitions, from the United Nations and the World Bank, help to illustrate the dominant positions in defining and using this concept.

For the United Nations Development Program, *good governance is among other things participatory, transparent and accountable. It is also effective and equitable and it promotes the rule of law. It assures that priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision-making over the allocation of development resources.*<sup>54</sup> The state is not mentioned, corresponding to a polycentric perspective.

For the World Bank, good governance is epitomized by predictable, open, and enlightened policy-making, a bureaucracy imbued with professional ethos acting in furtherance of the public good, the rule of law, transparent processes, and a strong civil society participating in public affairs. Good governance refers to the government's ability to: 1) ensure political transparency and voice for all citizens, 2) provide efficient and effective public services, 3) promote the health and well-being of its citizens, and 4) create a favorable climate for stable economic growth (World Bank 1992) . This is another type of prescription, in which the state is at the center.

The literature review showed that the concept of good, or democratic, governance is very much under construction, and that its definition is very often circular, as the concept is defined by its characteristics, which in summary are: *openness, inclusiveness, deliberation, effectiveness, accountability, and legitimacy* (Potter and OECD 2001; Kaufmann, Kraay, and Zoido-Lobaton 1999; Plumptre and Graham 1999; World Bank 2000). As most parties began to consider these characteristics universally valuable, finding the path to enhance or create good governance became a priority. In consequence, main international development organizations carried out or funded research and projects aimed at the promotion of good governance; [Appendix E](#) presents a list of these organizations.

By reviewing a number of these projects, it was possible to identify two dominant themes in the quest for good governance. First, what valid and reliable indicators could assess good governance; and second, how to use them to assess or promote good governance (Kaufmann, Kraay, and Zoido-Lobaton 1999; Plumptre and Graham 1999). Table 33 summarizes the variables found through the reviewed projects. Main variables were common to all projects,

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<sup>54</sup> Definition from the International Conference on Governance for Sustainable Growth and Equity (Magnet-UN 1997).

secondary variables, to those used only in some projects; undoubtedly, important variables were left out. For a list of the projects reviewed, please see [Appendix F](#).

**Table 33: Governance main and secondary variables and indicators**

<b>Main Variables</b>	
▪ <b>Participation</b>	Freedom and existence of local media; percentage of people voting by gender and social groups; process of public discussion on key issues
▪ <b>Equity</b>	Inclusion of excluded groups in the consultation process; resource allocation to serve vulnerable populations; access to basic services; women's representation; rate of unemployment
▪ <b>Accountability</b>	Regularity in fiscal transactions and faithful compliance/ adherence to legal requirements and administrative policies; public access to information on projects, processes and resources; goals communicated to the constituents; degree of delegation of authority; extent to which grievances and complaints are entertained by the administration
▪ <b>Efficiency</b>	Economical use of funds; mechanisms for evaluating economic performance; reduction of the population living below the poverty line; measurement and improvement of satisfaction of the populations served
<b>Secondary variables</b>	
▪ <b>Responsiveness</b>	Mechanisms to determine people's needs and wants, to allow citizens participation in planning and implementation of plans, programs and projects, to monitor that goals and ends of programs/projects are attained and delivered to targeted beneficiaries; fair and rapid action on suggestions and grievances by the public; use of public feedback on how the local government responds to demands articulated by the constituents
▪ <b>Management Innovation</b>	Improvement of structures and procedures to conform to service standards such as efficiency, effectiveness and economy; presence of measurement; adoption of innovative concepts and practices; application of new management techniques
▪ <b>Public-Private partnerships</b>	Policies and incentives to encourage the private sector participation in development; presence of business sector initiatives to improve efficiency of local government e.g. technology improvement, training etc; joint involvement of public and private sector in planning, funding and implementation of programs/projects
▪ <b>Local Government-Citizens interactions</b>	Presence and extent of cooperative efforts among local governments, non-governmental organizations, and the community; mechanisms that allow consultation between the local government and constituents on local concerns
▪ <b>Decentralized Management</b>	Presence of clear-cut guidelines on delegation; monitoring systems that provide feedback on the implementation of delegated task; the existence and extent of decisions made by officials to which tasks are delegated; consistency between the organizational hierarchical structure and actual delegation of task
▪ <b>Networking</b>	Extent and size of inter-government networks, regional (intra- local) networks, and international networks; scope of resource's complementation in the networks; extent of technology interchange/collaboration
▪ <b>Human Resources Development</b>	Presence and scope of policies to improve human resources management; existence of an adequate and sustained merit and fitness-based recruitment and selection program; presence of training programs to improve the capabilities of local government personnel; classification and pay plan based on the principle of equal pay for comparatively equal work

Source: projects reviewed by the author cited in [Appendix F](#).

It is very interesting to notice that, despite the proliferation of statements about new arrangements among stakeholders and the need to recognize non-governmental actors, the research and practice on good governance continues to be focused on the state. The projects reviewed showed that most variables and indicators concentrated on the state's performance, the quality of its institutions and human resources. None of the indicators recognized or looked for the existence of non-state projects and programs as either sources or indicators of good governance.

The projects reviewed also reflect two central issues for this study. The first is the fact that many indicators require or assume that decentralization is in progress. The second is the increasing concern about governance at the local level, and in particular in urban areas, as authors began to focus on *good governance* as a development issue and examine cities as critical arenas for development (Reilly 1995; HABITAT 2001; World Bank 2000; UN-HABITAT 2000; Yusuf, Wu, and Evenett 2000).

Stren and Polèse (2000) attribute the emergence of local governance as a key issue to four factors:

- a. The implementation of decentralization by formerly centralized countries;
- b. The democratization of one-party states and states formerly governed by military groups;
- c. The increased importance of urban social movements and their relation with global activists;
- d. And the emergence of 'policy communities' as networks of representatives from the state and the civil society, that address local public problems.

These four factors were central to Latin America's political life during the last two decades of the twentieth century (Rodríguez and Winchester 1997; García Delgado and Borja 1989), as mentioned in [Chapter 2.0](#). Decentralization and governance appeared clearly linked in the search for democratization and modernization; decentralization was key to democratizing policy and good governance was both a condition and a consequence of the decentralization process. Cities were particularly eager to find openness in the system in order to cope with their increasing complexity. At this point, it is worthy to review what is urban governance, as a city is the focus of this study.

### 5.2.2 Urban Governance

The emergence of local governance as a leading topic for social scientists and practitioners has a lot to do with the need to recover the principles of democracy and manage complexity. Cities are *the most complex products of collective human creativity* (Gilbert et al. 1996), and as such they have a lot of potential. Cities have proven to be the areas where it is possible to best provide services, alleviate poverty, improve life expectancy, and more wisely manage our planet's population growth. Moreover, cities are multicultural realities, whose bearers of different practices and ideas are enriched and changed through interaction (Claval 2003). Nevertheless, it is equally true that the segmentation and urban poverty have been increasingly noticeable trends during the last decades; clearly, the benefits that cities offer are not equally shared (Alfonso, Hataya, and Jaramillo 1997).

Segmentation is a phenomenon in modern cities. New forms of governance are not always connected with the system as a whole, and that demands a search for appropriate tools for integration and consensus building in order to reach a minimum level of gobernability. Weak governments that are very often perceived as illegitimate have given space to the emergence of para-authorities, which threaten the very foundation of the concept of citizenship. It is clear that, *for better or worst, the development of contemporary societies will depend largely on understanding and managing the growth of cities* (HABITAT 2001a, p.10); and one may add, building good governance.

According to the United Nation Center for Human Settlements-HABITAT, by the year 2000 almost 50 percent of the world's total population lived in urban areas. Additionally, for the first time in history, urban dwellers will soon outnumber those in rural areas. This is possible due to the fast pace of urbanization in developing countries; the present decade's average population increase in cities of developing countries is estimated to be 175,000 persons per day (HABITAT 2001).

This pace of growth generates great challenges for the cities' systems of governance, which are aggravated by the fact that as cities grew, poverty and inequality have grown with them, not only in Latin America but all over the world. It is estimated that between 1/4 and 1/3 of all urban

households in the world live in absolute poverty.<sup>55</sup> About 220 million city dwellers, 13 percent of the world's total urban population, do not have access to safe drinking water, and about twice this number lack even the simplest of latrines (HABITAT 2001, p.14).

The challenge of promoting inclusive cities is particularly important for Latin America, which, as stated in [Chapter 2.0](#), it is the fastest urbanizing region in the world and presents the highest level of inequality (HABITAT 2001, p.14-17). The contradictions between the modernization discourse and the level of exclusion in Latin American cities has had the effect of deeply segmenting society. Para-authorities emerged and private groups occupied the place of the state; the marginal became easy prey for an illegal market of services, ranging from personal protection to housing.

This is not only a Latin American phenomenon. A study on Turkish urbanization found that the social, economic and political factors characterizing segmented cities tend to nourish the growth of extremist or fundamentalist movements in society. The study concludes that, in order to stabilize their socio-political structures, cities must find ways of incorporating and aggregating the values, interest and expectations of the citizens, in particular of those in the margins. “[...] *the periphery in the center must be integrated with the whole of society by concerted economic and social action with appropriate instruments* (Keles 2003, pp.215-216).”

Metropolitan areas have been associated with the emergence of governance structures that draw heavily on civil society (Feiock 2004, p.41). In a 1978 study, Crenson found that urban governance can be carried out by local neighborhood networks without interference from governmental agencies. He concluded that overall, urban governance and aggregation seemed safer in local hands than in the hands of political bodies (Crenson 1978).

It is clear that the problem of building good urban governance is more complex than one may have thought. The literature and research review indicates the existence of several systems of governance running in parallel, which undoubtedly represents potential for the enhancement of social capital and collective action, but also for segmentation (Keles 2003). What is the relation between these parallel systems and the system as a whole? If any, how could we ensure that there is a minimum consensus about what is the public good?

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<sup>55</sup> Defined by the United Nations as a threshold of income or consumption below which an individual or household cannot obtain the minimum diet plus an amount of other basic needs, including shelter. In many cities this is estimated even below 1 dollar per day.

Mayntz offers a partial answer to these questions when she refers to the preconditions, institutional and structural, needed for the emergence of effective modern governance; the first condition she mentions is that political authorities must be powerful, but not omnipotent. They must be democratically legitimate in such a way that they reflect the interests of all major socio-economic, ethnic or religious groups in society; only in this case can an elected legislature be assumed to act in the interest of all, rather than in the interest of a dominant class or political party. Political authorities must be generally acceptable as guardians of public welfare. The second essential condition is the existence of a strong, functionally differentiated, and well-organized civil society. A minimal sense of identification with, and responsibility for, the greater whole, in short, a common identity, must exist among the different social groups and organizations (Mayntz 2003).

Decentralization is claimed to be the appropriate policy for inclusion and the creation of good governance, as, by bringing the state closer to the civil society it promotes a dialogue among the different interests groups and creates new arenas for reaching a minimum consensus about what is the common good. The relationship between decentralization and good governance requires further study and analysis in particular contexts, thus we can learn how to adapt the prescription to the existing conditions. The next section reviews the main arguments regarding this relation.

Although, before exploring the arguments on the relationship between decentralization and good governance, it is important to conclude this section by stating the definition of (good) governance proposed and assumed in this study:

*Governance* refers to the complex interactions between actors with different priorities by which decisions in regards to public concerns are made; as such, it is a power game, where competition and cooperation may coexist. It includes formal institutions, regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either, have agreed to, or perceive to be in their interest. The core players are the government the private sector and civil society<sup>56</sup>

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<sup>56</sup> Civil society includes individuals and groups, organized and unorganized, who interact in the social political and economic domains and who are regulated by formal and informal rules and laws (*Governance for sustainable human development: a UNDP policy document* 1997).



### 5.3 DECENTRALIZATION AND GOVERNANCE: A CAUSAL OR CASUAL RELATIONSHIP?

The relation between decentralization and governance appears to be implicitly clear; core characteristics of good governance, even from very different perspectives are all claimed to be promoted, directly or indirectly, by decentralization. If decentralization has the potential to open the public space and grant an opportunity to be included to those that have been excluded, it is a key strategy for promoting participation and equity. If decentralization is the appropriate policy for applying the principle of subsidiarity<sup>57</sup>, it will enhance the state's capacity and performance; it will promote efficiency. Finally, if decentralization is the appropriate strategy for reducing the state's interventionism and enhancing the market, decentralization will promote efficiency and development; and indirectly it will reduce poverty.

The variation in the arguments about the relation between decentralization and governance is determined by variations in the definition of these concepts (see [Chapter 5.0](#)), and by the values that determine the social and political priorities for societies. The literature and research review revealed three lines of argument explaining the relationship between decentralization and good governance: political, managerial, and economical. These three themes coincide with the different parties who support the decentralization reforms. It is most common to find these arguments simultaneously, with varying emphasis given to one theme over the others.

The major arguments regarding the relationship between decentralization and governance, whether explicit or not, are:

- a. *The political relationship*: this argument is derived from the claim that the principles of democracy are the most appropriate for building good governance; democracy is the ideal type of political system and the one in which good governance can flourish (Fukasaku and Hausmann 1998; Montero and Samuels 2004). As decentralization enhances democracy, it necessarily does the same to good governance. Participation, a common indicator of both good governance and democracy, is an expected outcome of political decentralization. This was and still is an important argument for the promotion of

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<sup>57</sup> Subsidiarity means that decision-making should be made at the lowest possible level, and that services should be provided at the lowest level in which cost/benefit is most effective (Hall and Pfeiffer 2000).

decentralization in Latin America (García Delgado and Borja 1989; Lovan, Murray, and Shaffer 2004; Cunill 1990). In Latin America, as mentioned before, it was argued that the high concentration and centralization of power was an obstacle for democratization; as central governments were traditionally disconnected from the local authorities and from the people. Decentralization was seen as the perfect strategy for promoting real participation and real democracy (Nohlen 1991; Borja 1989; Nickson 1995; Morris and Lowder 1992).

- b. *The Managerial relationship*: decentralization was originally suggested as a reform within the state, with the central goal of promoting coordination and efficiency through a balanced distribution of functions between the center and local governments. This argument developed into a claim stating that decentralization will enhance good governance for two reasons; first, it promotes synergies among three key actors in the public sphere: the state, the civil society, and the private sector; second, it promotes efficiency by dividing functions among levels of government, based on the principle of subsidiarity. Efficiency must improve through administrative decentralization, and efficiency is an indicator of good governance (Botero Restrepo 1987; Bresser Pereira and Spink 1999). Decentralization positively impacts good governance as it enhances the state's capacity and efficiency.
- c. *The economic relationship*: this argument promotes the limitation of the state's responsibilities and promotes privatization as a form of decentralization. According to this argument, as decentralization redefines the functions of the state and limits its intervention in the market, it promotes economic growth. The market is considered the most efficient motor of economic growth and a requirement and guarantee for development (Bennett 1990; Offe 1984). Good governance will be promoted as citizens benefit from private expertise and management. Additionally, although the market may not be redistributor of wealth, because it creates wealth there will be less poverty in the overall system.

Decentralization in Latin America was a main part of the state's modernization strategies of the 1980's and 1990's. Reformers sought to reduce the size of the state, particularly the central state, and to limit its reach. However, the social and political conditions in which the reform was implemented created a lot of additional outcomes. Decentralization was the "recipe" that appeared to work for all (Nickson 1995); it was a policy championed by promoters of the economic, administrative, and political reforms in the region (Cunill 1990; Rivera Araya 1992; Morris and Lowder 1992; Boisier 1992).

For the political elite, decentralization represented a way to reconnect their regimes to social groups from which they have become increasingly distant (Manor 1999). For the economic elite, decentralization offered a legitimate framework for promoting privatization and deregulation of the labor market. For the civil society, in particular grassroots advocates, decentralization appeared as an opportunity to be part of the governing process and, hopefully, balance power (Peterson 1997); decentralization was claimed to be a condition for equity (Boisier 1992).

Due to its apparently capacity for fitting even contradictory expectations, decentralization was initially embraced without much questioning. Nevertheless, some academics and practitioners worried about potential negative impacts that decentralization could have on the systems of governance and raised questions regarding its suitability. For example, a report from the Latin American Center for Administration for Development (CLAD), dated 1990, warned,

*Every decentralization process is legitimate and commendable, **only if** it helps in alleviating the consequences of the structural reforms under implementation; otherwise it will be only another strategy for debilitating the state (Cunill 1990, p.44).<sup>58</sup>*

Little attention was given to these warnings and existing conditions were rarely mentioned or evaluated. Once the trend was set in motion, the implementation of the decentralization reforms moved much faster than the debate.

Good governance and decentralization in Latin America were implicitly linked from the very beginning. The implementation of decentralization was central to the promotion of important changes in the structure, functions, and mechanisms for decision-making regarding public issues. Consequently, new meanings of what is private and what is public emerged from decentralizing, and important changes in the roles of those involved in public issues (Ottenberger-Rivera 1997).

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<sup>58</sup>Original in Spanish, translated by the author; my emphasis.

Decentralization is considered central to the emergence of new forms of organization and interest representation (new forms of governance).

The first evaluations of the decentralization reforms began to specifically examine the underlying relationship between decentralization and good governance. What is clear and commonly accepted is that decentralization played a central role in the emergence of new forms of governance, despite the fact that it was promoted without explicit goals regarding its impacts on the systems of governance (Cochrane 1983; Botero Restrepo 1987). What is unclear is the quality and quantity of these impacts; certainly the results of the decentralization reforms in Latin America are inconsistent and contradictory enough to remain an open debate in the region (Tulchin and Selee 2004).

Two recognized impacts are particularly important in the context of this study:

- Decentralization is central to the emergence of new forms of organization and interest representation (new forms of governance);
- Decentralization reforms caused of redefinition and re-delimitation of the private-public realms.

The case study presented in this study, which showcases the impact of the decentralization reform in the system of governance of Bogotá, aims at gathering and analyzing evidence to support, deny, and/or reframe the aforesaid impacts. It is widely accepted that more evidence from the field is required for understanding the relationship between decentralization and governance, the next subsection presents a brief note on that particular body of research.

### **5.3.1 A note on research**

It was difficult to find research studies that refer to the relationship between decentralization and governance explicitly. Nevertheless, many research studies aiming at evaluating the results of the decentralization reform, in Latin America or elsewhere, used indicators of good governance for assessing it. Thus, from reviewing research on decentralization and on governance it is possible to infer some arguments about the relationship between decentralization and governance.

Interestingly enough, in the year 2004, the Latin American Program of the Woodrow Wilson International Center for Scholars released a book focused on evaluating the impacts of decentralization on democratic governance in Latin America. More specifically, as stated in the book, “*we examine the impact of decentralization on civil society and how civil society and the state interact in decentralized democratic governance*” (Tulchin and Selee 2004, p.1).

This research study focused on two issues; first, the impact of decentralization within the state, *how much decentralization has redistributed power within the state*; and second, changes in the relationship between the state and the citizens, *how much has decentralization redistributed power between the state and citizens?* Although the study looks at both the state and the civil society, its approach is fairly state centered, as they are interesting in answering these questions to evaluate the impact of decentralization in creating *a more responsive and accountable state* (Tulchin and Selee 2004, p.4).

This is an important study for the region as it looks specifically at the relationship between decentralization and good governance; moreover, the study assumes a normative approach and a causal relationship between these concepts. Decentralization has important impacts on democratic governance, which may be positive or negative, depending on the historical context and previous conditions of the socio-political system in which it is implemented. The Woodrow Wilson research project provides empirical evidence for some of the basic assumptions orienting this study and for the research design and methodology chosen.

The next chapter presents both, research design and methodology, as well as the main questions that I aim to answer.

## 6.0 RESEARCH DESIGN AND METHODOLOGY

*"To be effective in developing theory and in being able to make statements about structures larger than an individual or the small group, social sciences must be comparative"*

Peters, 1998

Social and political realities diverge in many ways, even when they start with the same question. For example, different governments may start with the question of how to manage and balance the interests of their constituents and finish with different answers. Different organizations with the same goal, to improve the welfare of the most vulnerable citizens within a country, may choose different strategies to the same end. By comparing, we can learn and understand diverse problems and solutions.

Methodologically, the study is based on a comparative political analysis that reviews 5 periods of government in Bogotá, two before the decentralization reform was implemented and three after, covering 12 years of the city's life. In order to validate the point of inflection in time, not only the formal introduction of the reform was considered, but also this was a question included in the interviews; if you had to draw a line between before and after, what would be your choice? The answers confirmed the relevance of the period chosen for this study.

The comparison takes two forms that are complementary; a process and policy analysis, and a cross time comparison. Studying the impacts of a policy without considering the structures and dynamics where it is implemented has little value to policy makers (Mead 1997). Likewise, understanding the complexity and dynamics of political change is not enough; measurable outcomes of the process itself need to be assessed, as public policies are prescriptive solutions to identified problems.

In the case of Latin America, it is very important to conduct empirical studies in order to evaluate and understand impacts and results of the reforms implemented in the 1980s and 1990s. Not only because of the incredible amount of resources, both economic and human, invested in

the reforms, but even more importantly, because failure of the political compromises created during the reform, will deeply comprise the stability of the region. It is particularly important to further explore the relationship between reforms and the capacity to govern at the city level, as cities in Latin America hold most of its populations and are central political arenas.

Many studies compare the outcomes of decentralization reforms across countries without specifically addressing good governance, with the exception of the Woodrow Wilson Center's previously mentioned study; not many have compared sub-national political units (López-Murphy 1995). This study aims to contribute in filling this gap.

The objectives are:

- Describe and understand the process of implementing a decentralization reform (policy implementation) in Bogotá, and;
- Identify the impacts of decentralization on the system of governance in the city.

As mentions by Peters, the comparison of a number of instances of a process or an institution greatly contributes to illuminating the process or the institution (or both). In this case, the process under review is decentralization, and the institution is the system of governance. In addition, Peters mentions, the comparative analysis of policy implementation helps in understanding how the process unfolds in different settings (Peters 1998, p.13).

The process and institutional analysis of the implementation of decentralization as a public policy in Bogotá, seeks to unveil and understand the complexity and dynamics of political change from the perspective of main players in the political arena, and to observe whether or not there are new players and new rules in the system of governance. Additionally, by analyzing the process, it is possible to identify those elements that impeded or facilitated the consolidation of the reform. As policy analysis is an applied social science discipline that attempts to produce useful information for policy decision making in political contexts (Dunn 1994, p.4); the final aim is to produce useful information for other cities that that are in the process of implementing decentralization policies.

The cross-time comparison aims to identify the impacts of the decentralization reform on the system of governance of the city in regards to three core variables: participation, equity, and efficiency. These variables were central in the arguments that supported decentralization in the region, the country and the city. It aims to verify if the expected results of decentralization on the

improvement of the system of governance have occurred. Additionally cross-time analysis brings evidence to the debate regarding whether or not decentralization is the appropriate policy for enhancing democracy and efficiency in Latin American cities.

To understand the process of implementing a decentralization reform, we use a case study of Bogotá, which provides evidence from a local perspective. An analysis is critical in light of the increasing importance that sub-national political units are gaining; for some regions, urbanization is as equally an important trend as globalization (e.g. OECD 2001). Finally, decentralization is a political intervention, which costs of failing could be irreparable.

### **6.1 A COMPARATIVE STUDY: COMPARING RESULTS, UNDERSTANDING PROCESSES**

A comparison seems to be the most appropriate method for understanding varied and diverse realities and for evaluating change. In a sense, all analysis is comparative since every attempt to identify causal processes or relations involves comparing situations, objects, subjects, and other factors (Pickvance and Préteceille 1991; Peters 1998). In the case of this study conducting a comparative analysis appeared to be the most appropriate methodology, due to the nature of the problem explored (a political reform and its results).

Most of research studies using this methodology have been focused on cross-national analysis; though, as mentioned by Peters, comparative analysis across sub-national units within a single nation-state has the advantage of holding constant, or at least minimizing, a number of factors that may add great variation to results (Peters 1998). In addition, time could be included in the comparison, and the same political unit could be compared across time, adding even more control over cultural and social factors that otherwise may add great variance. The cross-time method looks at relationships among variables within individual units across time. Finally, the widespread promotion of decentralization as a key element of democratization and modernization, that prevailed for, at least the last twenty years, has increased the interest in conducting comparative studies at the sub-national level (Hall and Pfeiffer 2000).

Snyder argues, in his article "*Scaling down: the Sub national Comparative Method*" that sub-national comparisons better equip researchers to handle the spatially uneven nature of major



processes of political and economic transformations (Snyder 2001). An early example of such studies is “Democracy, Decentralization, and Decisions in Sub-national Politics” by Ashford (1976), a recent study is “Cities for Citizens. Improving Metropolitan Governance”, an OECD study that examines the roles of different levels of government intervening in metropolitan areas, and the changing relationship of the public sector with the private sector and civil society (OECD 2001, p.4). Sub-local units have emerged as interesting and important objects of study in regards to public policy, particularly in light of the increasing complexity and significance of cities.

Sub-local units within a municipality may be geographical, administrative, or political divisions; Humes, (1991, p.193), by comparing the structure of cities from the north and the south, classified them into four groups. The first group includes cities with subdivisions that are political and administrative in nature, and in which these sub-local urban units have more inhabitants and more resources than most of the other municipalities in their country; an example of this type is Paris. The second group includes large cities in which the subdivisions are mostly administrative, and in which sub-local offices are mostly branches of the central government; an example of this group is New York. The third group includes cities that have incorporated, formally or informally, close municipalities into their system; examples of this cities are Tokyo and Sao Paulo. The fourth group includes cities that have a close relationship with rural sub-municipalities that still have some autonomy; an example of this is the English parishes. Formal and informal levels of organization could coexist and, as mentioned by Humes, there is not always a clear division.

Certainly, Bogotá is a good example of this last statement; it could be included in any of the previous groups. In theory, its sub-local units of governments have both political and administrative functions and that makes it a city of the first group; in practice, it seems to be located more in the second group, as the central government manages the sub-local units of government as extensions of its authority. Bogotá may also be classified in the third group of cities, as it has incorporated surrounding municipalities. Finally, the city has strong relations with surrounding rural municipalities, which are somewhat autonomous and therefore could belong to the fourth group as well.

As presented in [Chapter 4.0](#), decentralization was a political change that the New Constitution of 1991 mandated for Bogotá, with the normative aim of promoting and enhancing good governance; it was expected to improve the programmatic and political capacity of the system. This process created an important controversy concerning the city numerous studies are focused on the years after decentralization. Additionally, although it is widely accepted that the city works and was improved by the reforms, there is no empirical evidence to support this claim. Thus, as it is important to acknowledge the value of citizens' perceptions, it is equally important to support or question those perceptions with facts.

To ensure the quality of this study and its results, measures for maximizing experimental variance, minimizing error variance, and controlling extraneous variance were included. To maximize experimental variance, this study covered 12 years of Bogotá's history, analyzed each administration as unique, and examined the periods before and after as part of the respective period. To minimize error variance, primary and secondary sources were consulted, qualitative and quantitative data collected, and diverse methods were used in the collection of data, including on-site document revision, identification and collection of existing reliable databases, panel discussions, in depth interviewing and focus group. Triangulation was used to control for any additional error; finally, to control for extraneous variance, the ideal type of good governance was defined and associated indicators were identified.

As expected, the main threat to this project, in particular regarding error variance, was the quality and quantity of available data, a common problem in the developing world, and potentially anywhere else. Data from and about Bogotá is scarce, uneven, and early data is almost impossible to find; maybe "*Colombians do not have a memory*" as Gabriel García Márquez, the Colombian Nobel prize argues.

### **6.1.1 Questions and Hypothesis**

The New Constitution of 1991 in Colombia promoted decentralization as the central policy for enhancing democracy in the country; the new political charter paid particular attention to Bogotá, the capital of the country and its most important city. The main goals of the reform were to

promote a more inclusive and effective system in a city characterized by high social and political fragmentation. This study sought to answer the following questions:

1. What is the story of the process of implementing decentralization in the city and what are the lessons to be learned from it?
2. Has the decentralization process, introduced by the New Constitution of 1991, had an identifiable impact on the city's system of governance?
3. If any, what is the impact of the decentralization reform on the system of governance of the city:
  - Is it more participative?
  - Is it more inclusive?
  - Is it more efficient?
4. Has the decentralization reform enhanced the city's institutions?

By answering the previous questions, it will be possible to determine the most appropriate strategies to successfully move towards democratic governance in the future.

The following propositions are to be examined:

- *Decentralization has produced an impact in the city's system of governance that makes it substantially different from the previous one, in terms of its political and programmatic capacity and characteristics.*
- *The impact produced by decentralization in the city's system of governance can be assessed in three main variables, participation, equity and efficiency.*

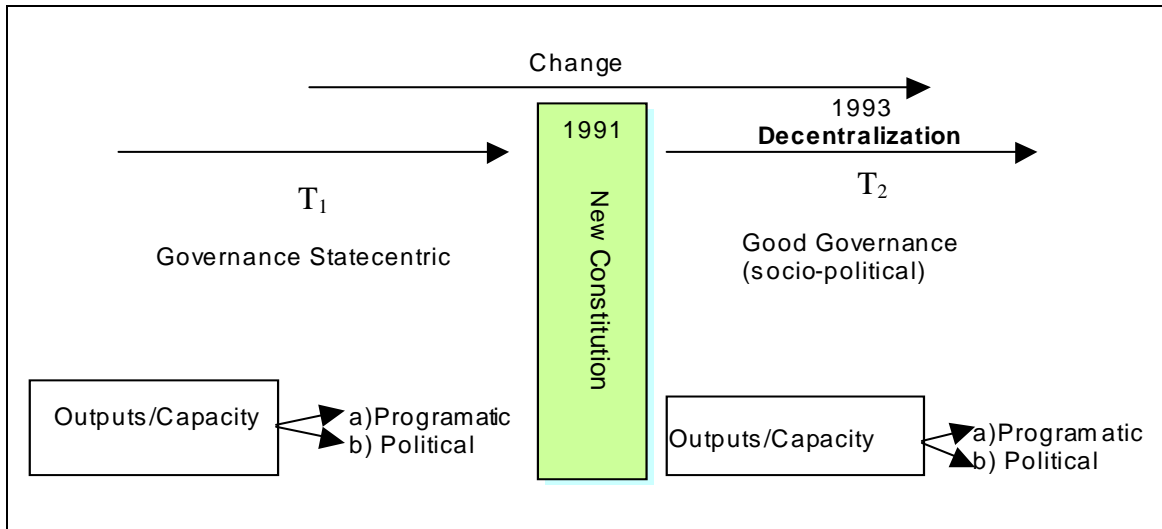
To test these propositions, the study compares the system of governance before and after decentralization; assuming two clear possible outcomes:

- a. Governance in time<sub>1</sub> is different from time<sub>2</sub>, or,
- b. Governance in time<sub>1</sub> is equal than in time<sub>2</sub>

Time<sub>1</sub>= includes two governmental periods previous to the 1991 Constitutional reform, 1988-1989 and 1990-1991 (Before 1994 the governmental period in the city was of two years.)

Time<sub>2</sub>= includes three governmental periods after the 1991 Constitutional reform, 1992-1993, 1994-1996, and 1997-2000 (This period covers three administrations, to better trace the process, but also because the first period was mainly transitional.)

Figure 34 summarizes the research design and Table 34 presents the periods and administrations that were included.



**Figure 34: Research Design**

**Table 34: Period covered and Administrations included in the study**

Time Frame	Term	Mayor elected	Government period				
<b>Before</b>	<b>1</b>	Andres Pastrana Camargo	June	1988	to	May	1990
	<b>2</b>	Juan Martin Caicedo Ferrer Sonia Durán de Infante *	June	1990	to	May	1992
<b>After</b>	<b>3</b>	Jaime Castro**	June	1992	to	Dic.	1994
	<b>4</b>	Antanas Mockus Sivickas- Paul Bromberg Zilberstain***	Jan.	1995	to	April	1997
	<b>5</b>	Enrique Peñalosa Londoño	Jan.	1998	to	Dic.	2000

\* She replaced mayor Caicedo for the last two months

\*\* Transition

\*\*\* He replaced mayor Mockus for the last nine months

### **6.1.2 Variables and Indicators: assessing changes in governance**

The independent variable is **decentralization**, introduced as a goal for the country by the New Constitution of 1991, adopted by Bogotá since the elections of 1992 and legislated for the city in 1993. The basic changes introduced were the creation of a new layer of government at the sub-local level (the JAL or Juntas Administradoras Locales), and the redefinition of functions and attributions of all sub-local authorities. The goals were to promote democratic participation, in alignment with the New Constitution, and to improve the city's effectiveness and efficiency in providing services and governing.

Four variants of decentralization policies have been identified, as presented by Rondinelli and Cheema (2003) those are:

- a. Deconcentration: the transfer of functions but not power
- b. Delegation: the transfer of certain powers to parastatal agencies of the central state
- c. Devolution: power and functions are actually transferred to sub-national political units, considered by some the 'real decentralization'
- d. Privatization: The transfer of power and responsibilities to private groups or companies (This is the most controversial, for some this is not recognized as a form of decentralization.)

It is unclear which of these variants were chosen for Bogotá and it seems that, in practice, a combination of them have been pursued.

The dependant variable is **governance**; the definition used, as presented in [Chapter 5.0](#), is:

Governance is the enacting of political relationships expressed in the process of making, implementing and evaluating decisions about public concerns. It is a power game, where competition and cooperation may coexist. It includes formal institutions, regimes empowered to enforce compliance, as well as informal arrangements that people, and institutions, either have agreed to, or perceive to be in their interest.

This study assumed the following premises:

- Governance is not only the responsibility of government; it encompasses relationships among different actors in the public and private sectors, as well as civil society. These actors have interests that may be conflicting, reinforcing, or complementary;
- The process of balancing private and public concerns expresses the quality of the system of governance.

The aim is to determine if there have been any changes in the system of governance, in regards to its programmatic and political capacity. By programmatic, we refer to the system's capacity to perform its functions and close the gap between the citizens' aspirations and its accomplishments; by political we refer to the system's capacity to solve conflicts, to manage different interests, and to include the different voices that live in the city.

Three variables that appeared critical for the political, social, and political sustainability of the region, the country, and the city, were selected for evaluating changes in the city's system of governance: participation, equity, and efficiency (Carrillo-Flórez and Binetti 2004).

- 1. Participation** refers to the possibility for men and women to have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Participation is built on freedom of association and speech, as well as capacities to participate constructively (UN-HABITAT 2000). Participation has gained status in political and economical discourse, as it is considered a central element for economic and social development, and an indicator of the quality of a political system (Sachs 1992, pp.116-131). It is also very important to examine the quality and scope of participation, to determine whether its level indicates or not real changes in the structure of power (Rondinelli and Cheema 2003).
- 2. Equity** refers to the equal access to opportunities for maintaining and improving well-being in a society, but especially for those most vulnerable; it assumes that a society's well being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from the mainstream of society (UN-HABITAT 2000).

- 3. Efficiency** refers to the accomplishment of results that meet the needs of the stakeholders and to maximization of resources (UN-HABITAT 2000).

A basic assumption of this study is that these variables are complementary and not contradictory. The UN Development Report of 1993, dedicated to participation, established that participation is no longer a vague ideology, but an imperative, a condition for survival for human kind (*Human development report 1993*). More inclusive and participatory relationships among political actors will be reflected in a more efficient administration and allocation of resources; it will also create more efficient ways of achieving public goals and solving public problems. Amartya Sen is one of the leading economist in advocating for understanding the close relation between economic and social development (Sen 1999, 1987). In the same line of reasoning, and based on case studies, the Interamerican Development Bank (IADB) argues that equity and efficiency are integrally connected and that detailed analysis is required to discover these connections (Carrillo-Flórez and Binetti 2004; Kliksberg 2003).

As mentioned by Deborah Stone, efficiency and effectiveness are concepts that has been used mainly to refer to “*getting the most out of a given input*” or “*achieving an objective for the lowest cost*”. But, as she emphasizes, they reflect how society chooses to spend its money or allocate its resources in order to get the most value; they directly reflect the society’s values (Stone 1997). Participation, equity, and efficiency are predicated values in the democratic discourse; they are accepted goals for both statecentric and polycentric perspective of governance; more importantly they are critical goals for the Millennium Development campaign.

Table 35 presents the three variables for assessing changes in good governance: participation, equity and efficiency, and their indicators. Some changes from the original design were introduced in order to optimize the use of available data.

**Table 35: Variables and Indicators**

<i>Main Concept</i>	<i>Variables</i>	<i>Indicators</i>
<b>Governance</b>	<b>Participation</b>	Number of voters and participation in relative elections
		Increase in the number of parties participating in elections
		Increase or existence of public meetings for discussing planning and budget
		Increase or creation of mechanisms for accessing available information
		Increase or creation of programs promoted by community groups and organizations
		Incorporation of excluded groups in the consultation process
		Legislation on participation
	<b>Equity</b>	Existence of information on differential situations and the needs of women and men (gender perspective) <sup>59</sup>
		% and/or total increase in women's representation in government and boards
		% reduction in the population living below the poverty line
		Income distribution
		Amount of money directed towards social investment
		Explicit or implicit utilization of equity as a criteria for prioritizing or investing
		Improvement in access to employment/reduction of informality
		Laws and programs supporting the informal sector
		Budget amounts and programs for the displaced
		% reduction in the number of street children and homeless
		% increase in service coverage
		Reduction in the gap of income distribution
		% increase in the homeowner population or access to housing programs
	<b>Efficiency</b>	Debt management and sustainability
		Improvement in credit rating
		Income/expenditure of government per capita
		Increase in economic growth/GDP
		Continuity in programs and projects
		Establishment of new and cooperative relations with external organizations and institutions
		Improvement in the revenue collection

<sup>59</sup> A single mention of gender or gender issues would be counted here, as gender policies are underdeveloped in most city's of the institutions.



### **6.1.3 Boundaries, Limitations, and Possibilities**

*Boundaries:* This project focus on the city of Bogotá between 1988 and 2000, its conclusions are based on available data, existing documentation, and key informants.

*Limitations:*

4. The political uncertainty prevailing in Colombia makes it difficult to isolate the processes of changing governance in the city from the wider national conflict.
5. Due to the traditional lack of continuity in its administrations, finding good and reliable data would be very difficult.
6. The political history of the city and the country have created distrust in the political system and the government, which can affect the results; additionally, the unique history and profile of each administration can be an important and disrupting element.
7. It is possible to argue that the changes in governance are the result of political maturation and not of the changes in the political system.

In order to deal with these limitations, the information was triangulated and historically salient factors were incorporated in the research; additionally, to avoid the threat of capturing maturation in the analysis, differences in performance were only considered significant if they were recognized publicly as significant by key actors both within the city and outside of it. In any case, the fact that the study examines a particular point that clearly divides before and after will help in managing this threat.

*Possibilities:* This project will contribute to the few existing comparative studies focused on the local level and to the development of both decentralization and governance theories. It is expected that the project will allow the identification of elements that facilitate new forms of governance and elements that act as obstacles to it. Finally, it is expected that the city of Bogotá will incorporate the tools, knowledge, and results of this study in its search for inclusiveness and efficiency.

## **6.2 THEORY AND PRACTICE: FROM THE LIBRARY TO THE FIELD AND BACK**

In November of 2003, one week after the city elected a new mayor and new council, I visited Bogotá in order to collect data, compile documents, and conduct interviews. This was the appropriate time to do field work as everyone was still engaged in the political debate provoked by the city's elections, and decentralization had been, for the first time a key issue in the new mayor's campaign.

Two months prior to the trip, and with the help of two students from the Universidad de los Andes, we found and selected primary and secondary sources. Simultaneously, I carried out a literature and research review on decentralization in Bogotá. A deeper review of primary and secondary sources was conducted for selecting the most appropriate and accessible to visit and interview in Bogotá. The following products supported the visit to Bogotá: a list of institutions and organizations to visit, a list of key informants to interview, a list of documentation to review and collect, and the schedule of visits and interviews.

Close to 32 organizations were visited with the purposes of reviewing and collecting documentation, and 31 interviews were conducted, most of them recorded. [Appendix G](#) presents a list of organizations visited, and [Appendix H](#) a list of people interviewed. The process of conducting the fieldwork and the lessons learned at each phase are presented below.

### **6.2.1 Phases**

**6.2.1.1 Exploratory I:** During this phase, a first literature and research review was conducted on the concept of governance. Later, as the relationship between decentralization and governance emerged as a very interesting puzzle, a literature review regarding decentralization was conducted as well. Finally, the literature on the relationship between the two concepts was explored. From the literature reviews, the research design was outlined, including the main hypotheses and methodology.

The next step in this phase consisted of defining the variables to examine and their determining relative indicators. I selected the core indicators for assessing good governance by comparing several studies conducted by main international organizations, particularly in urban setting and in the third world. I developed an initial list of indicators and a plan for conducting the study. In order to test out the design, I first needed to determine the project's feasibility and suitability in the field. The second phase of the project sought to accomplish this.

Accomplishments:

- Familiarity with the concepts (theory and practice)
- First research design
- Definition of variables and indicators
- Planning the study calendar

**6.2.1.2. Exploratory II:** During this phase, I approached the field from a distance; I contacted key informants in Bogotá that I knew from my work with the city, including the director of the Public Management Division at the Universidad de los Andes. Through e-mail and phone, I did a first evaluation of the availability of data and the amount of resources needed to collect it. In consequence, I selected two undergraduate students at Universidad de los Andes to help me identify primary and secondary sources and plan the agenda for the second phase of fieldwork. We meet online once a week to compare notes, discuss problems and plan the next week.

After the first month, I developed an initial list of organizations and individuals to contact. Another month of work was required to contact organizations and individuals, and I a “snowball” technique. I contacted each organization and individual, shared the goals of the dissertation, and asked each one to recommend people, organizations, books or documents that would inform the study. I conducted three informal interviews over the phone. After the second month and a half, I had established an agenda for my visit to the field, and defined a sample of organizations, key informants and documents to collect.

Accomplishments:

- Evaluation of available data,
- Evaluation of resources and capacity for gathering data;

- Definition of a sample of key informants (with the criteria of including interests groups, new socio-political actors, and those publicly recognized as knowledgeable about the city: academics, policy makers, and community leaders)
- Planning the second phase of fieldwork: gathering data

**6.2.1.3 Analysis I:** During this phase, I contrasted the original design with what I learned from my research. Although I initially planned on comparing the sub-local units of government, I decided to compare only the city as a system, because of the non-existence of comparable data from the twenty localities, and because of the unevenness of the process in each unit. The city proved to be a better subject for the dissertation's goals. I redefined the research design, determined the period to cover, and review variables and indicators.

Accomplishments:

- Final research design and redefinition of the study plan
- Familiarity with the field's characteristics

**6.2.1.4. Fieldwork:** I visited Bogotá during a very interesting time, because the city had just elected a new mayor and city council; everyone in the city wanted to talk about the government. The outgoing administration was very helpful and the Secretary of Government assigned someone as my liaison to the mayor's office. My project was also welcomed by academics and researchers, although everyone mentioned the difficulty of building time series, which proved to be true as the project moved forward. The National Census did not disaggregate data about Bogotá until the mid 1990s.

With a very tight agenda, I visited close to 60 organizations and conducted 28 interviews in three weeks; three complementary interviews were conducted after the trip. I reviewed and collected documentation on each site visit and in the most important libraries in Bogotá. I met with groups of professors working on public issues from five universities. I shared the same conclusion of María Fernanda Sánchez, head of the project *Bogota Como Vamos* “*It is very unlikely to find information from before the first Mockus' government, and even after, there has not been a systematic evaluation of the results and impacts of the city's administration*” .<sup>60</sup>

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<sup>60</sup> María Fernanda Sánchez is the head of the *Bogotá Cómo Vamos*. Interviewed on November 18, 2003.

To emphasize this “lack of memory” shared by Colombia during the period, it is worthy to mention that during the collection of documentation regarding the city, I found a book of research studies published in the year 1989 (Santana and Suárez 1989). In order to consult some of the studies on the list, I visited the organizations that conducted them; interestingly enough, they were unaware of these studies and documents.

My visit to the city’s new Archive, which was inaugurated on August of 2003, was particularly interesting. I interviewed the director and met with the person in charge of collections. It is a wonderful building and an important project for the city; it is expected that the archive will eventually consolidate all of the documentation that currently exists in each section of the city’s government. Nevertheless, by November of 2003, it was still an empty shell, as mentioned by its own director.<sup>61</sup>

Due to the difficulty in finding the exact data I was looking for, I decided to collect all possible data, planning to organize and sort it later. I knew it would be more difficult to collect the data after my departure, as it proved to be.

Accomplishments:

- Collection of data
- Conduction of interviews and focus groups
- Identification of limitations and possibilities on the field
- Learning from experts, politicians, and new and old political actors

**6.2.1.5 Analysis II:** Sorting and contrasting the information collected on the field and beforehand was an almost archeological task; it took six months to find the gaps to fill and another six months to try to fill them. Data that I expected to be sent in two or three months arrived 10 or 12 months later. I organized the data for the time series to the extent I could, and adjusted the indicators to the available data. I had to make decisions regarding which data to use because of the lack of continuity in the collection or processing methods. Once evaluated and organized, I used the available data to build descriptive statistics and time series, when possible. The interviews were analyzed in search of themes and categories, and I conducted an analysis of the focus groups and organized them by contents, such as contradictions, recurrent themes, and interactions.

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<sup>61</sup> Interview with Luis Fernando Sánchez, Bogotá’s Archive director, Nov.27, 2003.

Accomplishments:

- Sorting and organizing data
- Identification of gaps
- Construction of descriptive statistics and first time series
- First analysis of interviews

**6.2.1.6 Analysis III:** During this phase, I contrasted my expected results with the findings in the first draft of the report. New questions and doubts emerged in regards to the organization of chapters and to the method for reporting the process of implementing decentralization in Bogotá. Additional questions regarding the relationship between decentralization and governance arose as I analyzed the interviews, and realized that decentralization was more an ideal than a practice. Time series were completed and the indicators for each variable consolidated. Four more interviews were conducted and new data collected to complement and refine the existing data.

Accomplishments:

- Second statistical analysis
- Production of categories, comparison and consolidation of qualitative and quantitative data
- Production of recommendations

**6.2.1.7 Dissemination:** An executive report will be presented to the city's government and it is expected to conduct several presentations at the city's universities. The possibility of publishing a book will be explored. Participation on the X Congress of the Latin American Center of Management for Development and Public Administration (CLAD), with a paper presenting the results on participation of this research study.

The next section presents the results from this research study. Chapter 7.0 tells the story of the process of implementing decentralization in Bogotá, based on the documentation collected, the existing books, and the voices of those involved in the process. Chapter 8.0 presents time series for each indicator of the three variables selected for assessing the system of governance. Finally, Chapter 9.0 presents conclusions and emerging questions.

### **PART III**



### **DECENTRALIZATION AND GOVERNANCE IN BOGOTÁ**

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## 7.0 THE PROCESS OF DECENTRALIZATION THROUGH THE VOICE OF THE PEOPLE

*“Decentralization schemes are more likely to be time-buying exercises in which the cards are shuffled to make it harder for the player to appreciate the strength of individual hands”*

Estella Lowder (1986)

Change in any dimension is always a challenge; it is resisted because of fear and ignorance, but also due to wisdom and prudence. Every change has costs and benefits that must be carefully evaluated in order to decide if it is appropriate or not. However, this analysis often never takes place, particularly in Latin American politics. Change involves so many forces and interests that one might perceive it as a chaotic, uncontrolled process that, once started, is impossible to stop. What is impossible to deny is that there is a great deal to learn from each process of change.

Decentralization is one of the most important processes of political change that marked the late twentieth century in almost every country around the world. In the case of Latin America, as mentioned before, it brought diverse, sometimes even contradictory, expectations for democratization and modernization. The case of Bogotá serves to illustrate the complexity of social and political change, as decentralization entails not only restructuring institutions and the existing political culture, but also questioning the model of governing that has prevailed.

The process officially started when the New Constitution of 1991 mandated the decentralization of Bogotá in order to address the gap between the city's size and rate of growth and its institutions. In this chapter, central players of the process of implementing decentralization in Bogotá share their visions, experiences and interpretations of the reform. Their voices are quoted,<sup>62</sup> and their arguments contrasted and supported with additional sources of information such as documents, books, and newspapers. For more information on the interviewees' profiles, see [Appendix H](#).

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<sup>62</sup> All quotes are translations by the author.



The chapter presents the antecedents of decentralization in Bogotá; the reasons used to promote it; how it was, or was not, promoted by the city's administrations and why; the main players; the rules, and how the different parties evaluate the results. Finally, some lessons that one may infer from hearing different sides and versions of apparently the same story, are presented.

## 7.1 ANTECEDENTS

Although this study examines the latest process of decentralization, it is important to review any antecedents regarding decentralization in Bogotá because they are a part of the city's history and, one way or the other, part of its missing memory. Also, because they are critical in understanding the expectations and limitations resulting from the latest decentralization reform promoted by the New Constitution of 1991.

Even before the country gained its independence from Spain, some type of authority existed to represent the central government in the local neighborhoods of Santafé<sup>63</sup> (Zambrano P. and Vargas Lesmes 1988). According to Fabio Zambrano<sup>64</sup>, one of the city's historians, the first effort to decentralize the city's administration could be traced to an ordinance from 1774, which promoted, for the first time, a civil administrative division in the city. As professor Zambrano stated, *"It is the one time in which it was thought that the city was inhabited, not by people that have souls, but by citizens; people with the capacity to decide."*

The city changed from being divided into three parishes, an administrative division associated with the church, to being divided into four administrative quarters, based on the police presence in the city, and eight neighborhoods. Each quarter had a mayor and each neighborhood a neighborhood mayor. The town council, *Cabildo*, which was constituted by regents, *regidores*, appointed the mayors. The reason for this change was the recognition that the city's mayor could not manage a city of 20,000 inhabitants.

The nineteenth century represents a transitional period from the colonial regime to modernity, in which many contradictions are found in the city. The city had both parishes and

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<sup>63</sup> Santafé was the name given to Bogotá by its founder, Gonzalo Jiménez de Quesada, on August 6, 1538.

<sup>64</sup> Fabio Zambrano is a city's historian and professor at the History Department in the Universidad de los Andes; interviewed on Nov.12, 2003.

neighborhoods, which, according to Zambrano are contradictory in nature, “*It is to parishes to manage souls and to neighborhoods to manage citizens.*” This blurred territoriality persisted until the end of the nineteenth century. Side to side with a political system that incorporated elements of modernity, such as the appointment of the city’s Mayor by a civil authority and the election of the city councilors, one found an administrative division based in traditional parishes. In regards to the city’s political culture, Zambrano remarked that the city tended to remain isolated from the country and looked to keep its imperial status, “*The city was conservative, class segmented, racist, and praised Spaniard values.*” This political culture was reflected in its administration.

The twentieth century was, according to Zambrano, “*A century of modernization without modernity.*” The development of public transportation changed the city’s reach and shape. The construction of the airport and the extension of the railroad connected the city more than ever to the country; isolation was no longer possible. The city’s population increased significantly, from 100,000 inhabitants in 1905, to 235,421 in 1928. Moreover, between 1918 and 1928, the city grew 5 percent annually. In 1951, the city had 715,250 inhabitants, representing an increase of 6.1 percent annually.

The scale of the city has changed importantly; it changed from a municipality to a capital, and for the first time it had enough political leverage, equal to the number of voters, to pressure for its independence from *Cundinamarca*, its hosting *departamento* (state). Bogotá was subordinate to *Cundinamarca* until the mid 20<sup>th</sup> century; its governor appointed the city’s mayor and the city did not have the autonomy to manage its own income from taxes and rent (Zambrano P. and Vargas Lesmes 1988; Velásquez Gavilanes 2003).

It was under Colombia’s only dictatorship of the twentieth century that the city’s autonomy from *Cundinamarca* was granted. In 1954, General Gustavo Rojas Pinilla, through presidential decree No. 3640, officially sanctioned Bogotá’s new status as *Distrito Especial-D.E.*, special district. In Zambrano’s view, the most important impact of the reform was the fact that it gave the city control over the land and its use; according to him, “*The best business that ever existed in Bogotá is the sale of lots without public utilities, and, who were the property owners? The city’s elite.*”

In same year, 1954, the Assembly of *Cundinamarca* through ordinance 7 of 1954, decreed the annexation of six surrounding municipalities to Bogotá. Additionally, the national

government, by decree 3640, authorized the city's mayor to create *alcaldes menores*, "minor" mayors, where needed. This figure, "minor" mayor, was intended to reduce severe political tensions beneath the annexation of these six municipalities. Nevertheless, the minor mayors were mere subalterns of the city mayor and did not have any political or administrative autonomy; in addition, there was not any provision for citizen's participation (Velásquez Gavilanes 2003, p.28).

Three reforms introduced in the second half of the 20<sup>th</sup> century aimed at enhancing the local governments in Bogotá. In 1972, Mayor Carlos Albán Holguín, a conservative, formed a commission for designing a decentralization program; two goals were stipulated, to close the gap between government and citizens, and to promote participation. The outcome was Agreement 26 of 1972, which allocated funds to the city's 16 zones for use in local development.

A coordination board consisting of the Mayor, the city's general secretary, four councilors, and the sixteen minor mayors, was created. A special office for local affairs was created in the Government's Secretariat, and a local consultant board supporting the minor mayor was created in each of the 16 zones. The District Planning Department was in charge of implementing this reform, by defining the structure, procedures and human resources needed, as well as the local investment plan (Velásquez Gavilanes 2003; Santana R 1988).

In 1977, Mayor Bernardo Gaitán Mahecha, a liberal, introduced a new reform approved by Agreement 8 of 1977. The reform aimed to improve the local planning and to reduce the amount and length of procedures. The local administrative board was eliminated, and the structure of the local consultant board was changed. A member of the city's planning department would now sit on the zonal boards to help the minor mayor in the creation of a zonal plan to be presented to the Mayor, who would be in charge of including it in the city planning. Two new zones were created, La Canelaria y Rafael Uribe, to total 18 zones in the city (Velásquez Gavilanes 2003, p.29).

In 1982, Mayor Augusto Ramírez Ocampo, a conservative, named a commission to propose another administrative and political reform. The Mayor, by Decree 2621 of 1982 introduced a partial reform, while the commission finished the proposal to be presented and discussed by the City Council. The mayoral decree focused on defining and enhancing the zonal government. It changed the name from *alcaldes menores* (minor mayors) to *alcaldes zonales* (zonal mayors), and created several mechanisms for promoting participation; additionally, by Agreement 14 of

1983 Mayor Ocampo created Bogotá's 19<sup>th</sup> zone, Ciudad Bolívar (Alcaldía Mayor de Bogotá 2005).

On January 15 of 1986 the National Congress legislated Law 11, which, as stated in its first article, intended to equip the municipalities with an administrative and fiscal statute that would allow them, within an autonomous regime, to accomplish their functions. It ordered local authorities to promote effective community participation in the handling of local public issues, as well as to propitiate regional integration<sup>65</sup>. This law stemmed from a constitutional amendment of 1968, which created a new layer of government for big municipalities such as Bogotá. It took eighteen years to approve it as part of the decentralization program promoted by president Betancur.

The central arguments for this amendment was that cities such as Bogotá are so large, that in real terms there are cities within the city, and the governing of these sectors requires political institutions capable of reacting to their specific problems and needs. Additionally, it emphasized the importance of bringing the administration closer to citizens; law 11 provided for the election of the *Juntas Administradoras Locales (JAL)*, local administrative boards, by the citizens of each zone (Presidencia de la República 1969).

In 1987, supported by Law 11, Mayor Julio César Sánchez, in collaboration with Bogotá's Chamber of Commerce and other institutions, promoted a serious discussion regarding the city's administrative structure, and presented a reform proposal to the council<sup>66</sup>. The City Council approved Agreement 8 of 1987, by which, local administrative boards were to be freely elected in the now twenty *localidades* and a zonal independent budget was to be provided for local projects. Despite Congress's earlier ruling and the city's commitment to this reform, it was never implemented. The Administrative Tribunal of *Cundinamarca* first suspended and later declared null agreement 8 of 1987.

It is unclear why none of these reforms was fully implemented. Changes in the structures and functions of local authorities were discussed for the promotion of autonomy and legitimacy. Nevertheless, the autonomy and leverage of the local mayors remained unchanged, and local administrative and political structures remained very weak. The local mayors were, and for many

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<sup>65</sup> For reviewing all laws and legal documents about Bogotá visit:

<http://calsegen01.alcaldiabogota.gov.co:7772/sisjur/normas/Normal.jsp?i=9130>

<sup>66</sup> Read the complete analysis in (Alcaldía Mayor and Cámara de Comercio de Bogotá 1987).

still are,<sup>67</sup> second-class civil servants hired by the city to represent the Mayor's political interests locally.

In 1991, Mayor Juan Martín Caicedo Ferrer, a liberal, and the last appointed mayor in the city, presented another proposal for the creation of local administrative boards. Nevertheless, as his proposal overlapped with the expedition of the New Constitution, which would cause deep political change for the country and the city, it became irrelevant.

## 7.2 THE BEGINNING

The official process of decentralization began at the territorial commission of the National Constitutional Assembly, in which Jaime Castro<sup>68</sup> proposed including Bogotá as a topic for the commission. After members of the commission approved a list of themes, sub-commissions were created for studying particular topics. The only member in Bogotá's sub-commission was Jaime Castro; in his words, *"I was told, 'as you proposed it, you take it,' even though I was not an expert in decentralization, and my experience came from working with municipalities in the department of Cundinamarca"* (see also Mockus S. et al. 1997, p.9).

Jaime Castro presented the reform proposal for Bogotá to the Assembly's plenary session; he was convinced that the only way to modernize the city's political and administrative structures was through a constitutional mandate. *"I knew that a traditional centralized government would not share power voluntarily; this is why the decentralization reform in Bogotá could only be mandated by the constitution. No one transfers responsibilities and resources voluntarily"*. When presenting the proposal to the Constitutional Assembly, Jaime Castro argued two reasons for supporting the proposed reform; decentralization would improve both efficiency and democracy in the city (Presidencia de la República 1991). As Jaime Castro claimed, *"In cities as big as Bogotá, it is impossible to govern and administer them from a unique center of power; one must create several centers of local power within the city"*.

### 7.2.1 The New Constitution and the City

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<sup>67</sup> As expressed by several interviewees, including Paul Bromberg and Alberto Maldonado.

<sup>68</sup> Jaime Castro was Minister of Government in 1986, an advocate of the New Municipal Regime that established direct elections for mayors in the country, and of Laws 11 and 12 of 1986, which promote administrative and fiscal decentralization. He was Mayor of Bogotá, from 1992 to 1994; interviewed on November 10, 2003.

The National Constitutional Assembly approved a new political and administrative reform for Bogotá, aimed at enhancing the city's autonomy and management, and promoting decentralization. The status of the city was changed, once more, from *Distrito Especial* (Special District) to *Distrito Capital* (Capital District). Bogotá became a separate electoral district, sending its own representatives to the National Congress, which gave the city certain political bargaining capacity in an arena where it was previously at a disadvantage. The city also obtained administrative autonomy from the Department of *Cundinamarca*; and finally, it obtained more control over its budget (Gilbert and Dávila 2002, p.32). The city apparently experienced a deep political change.

Regarding the city's political structure, the new charter included important guidelines for implementing decentralization in Bogotá, including the election of representatives for sub-local units of government. The New Constitution assigned the responsibility for the legislation of specific rules orienting the decentralization reform to the Congress, the City Council, and the Mayor (Velásquez Gavilanes 2003, p.36). The main guidelines for promoting decentralization in Bogotá were presented in four articles (three permanent and one transitory) of the New Constitution as follows:

- Art. 322. The Council, under the Mayor's initiative, is to divide the city's territory into *Localidades*, according to social, cultural and economical criteria. It is to the central authority to guarantee the integral development of the city, and to localities, the management of its territory. Functions ought to be clearly defined.
- Art. 323. Each locality will have a local administrative board, *Junta Administradora Local (JAL)*, consisting of at least seven members, *ediles*, directly elected for an administrative period of three years. The city's Mayor will elect the local mayors from three candidates presented by local councils.
- Art. 324. The local administrative boards (JAL) will manage the distribution and appropriation of the money allocated to their territory in the city's annual budget, considering the unsatisfied basic needs of their populations.
- Transitory article 41 The Congress will legislate the new city statute by June of 1993.

The congress wanted to promote the establishment of local authorities within the city as soon as possible. For that reason, it decided to postpone the discussion of the city's general statute and

concentrate first in the ruling regarding localities and their authorities, which was a requirement for running the first local elections in the city. As a result, the first law the Congress sanctioned after the New Constitution pertained to Bogotá. On January 28 of 1992, the Congress sanctioned the 1<sup>st</sup>. Law, which defined administrative, political and fiscal principles for orienting the new administrative and political structure of Bogotá (Avance Jurídico 2005).<sup>69</sup>

Regarding the territorial division, this law established a minimum number of inhabitants per locality, and mandated the consideration of cultural and social characteristics when creating localities. In regards to the distribution of functions between central and local authorities, the law established that it should promote efficiency, participation, and harmony between central and local plans and actions. It defined rules for elections, candidates, and governmental periods for the local political system.

Finally, regarding fiscal decentralization, it defined a percentage of the city's budget that would be allocated to the localities; no less than 10 percent of the central government income had to be transferred to localities, increasing 2 percent annually until it reached 20 percent in 1998. The local budget would be allocated by the JAL; once a local development plan was approved by the same institution, the *Fondo de Desarrollo Local*, local development fund, would be in charge of managing these resources (Segovia Mora 1994; Velásquez Gavilanes 2003).

The provision of local budgets, by ordering the allocation of a portion of the city's budget to the localities is, according to Jaime Castro, the most important contribution of the New Constitution to the city's decentralization. As it is discussed later, the allocation and management of local resources has not occurred as expected; and it has since been a source of conflict between the central government and the localities (Zamudio Castañeda, García Velandia, and Katz García 1997).

According to Raúl Velásquez, *"The Congress rushed the legislation regarding Bogotá because it was in the interest of congresspersons to capitalize the incoming elections of March of 1992"*.

Mauricio Gracia<sup>70</sup>, an expert on the city's legislation, mentioned,

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<sup>69</sup> Article 180 of Decree 1421 of 1993, Organic Statute for Bogotá, abolished this law.

<sup>70</sup> Mauricio Gracia held the office of *Relator*, the functionary in charge of the city's legislative memory, in Bogotá. Interviewed on Nov. 20, 2003.

*One of the sins of the Congress' legislation concerning Bogotá is that they ruled for the city as if it were but another municipality in the country. The legislation concentrated most functions in the office of the Mayor, which is very rational for a small municipality; nevertheless, the level of centralization that this entails is not suitable for Bogotá.*

As a result, the law had important flaws that affected decentralization in the city from the very beginning. For example, the Congress ruled that some issues, according to the New Constitution, were exclusive to the Mayor and the City Council, and very importantly, it did not take the time to discuss the specific decentralization policy model to be implemented (Zamudio Castañeda, García Velandia, and Katz García 1997; Velásquez Gavilanes 2003).

For others, the need to open the political arena to new players, and to create conditions for improving the city's management were enough reasons to support the Congress' decision (Segovia Mora 1994, p.13). What is certain is that a pragmatic approach prevailed, and not much thought was given to the analysis and design of a decentralization policy model, or to the expected consequences of the reform.

### **7.2.2 The City and the New Constitution**

The city councilors were also very interested in capitalizing on the first local elections in the city, which is why, according to Raúl Velásquez, they approved Agreement 2 on January 29 of 1992, only one day after Law 1<sup>st</sup> was sanctioned by the Congress (Velásquez Gavilanes 2003, pp.50-51). By Agreement 2, the name of the city's administrative divisions was changed, from zones to localities, the number of local board council representatives, *ediles*, was defined, and the functions of local authorities, established by Law 1<sup>st</sup>, ratified. Once more, due to the incoming elections, there was no time for determining the best policy model to implement.

As mentioned by Jaime Silva and others, "*The city's division had real problems in terms of quality and quantity*", two criteria that the constitution mandated to take into consideration when planning and implementing decentralization.

Alberto Maldonado mentioned that,

*As a result of the lack of deliberation, not only on the model to follow but on the reasons to do so, there are significant faults in the design; including the definition of what is a locality and why is*



*it important. The localities do not have real identity and many people do not even know what locality they live in.*

Bogotá has localities that are very homogenous, culturally and socially, while it also has localities so diverse that the aggregation of interests might be almost impossible. The city has localities with more than half million inhabitants and localities with less than 50 thousand inhabitants; this creates a relationship between citizens and representatives that is obviously different. Neither the Council, nor the Mayor discussed any of these problems enough.

As mentioned before, in 1991, Mayor Juan Martín Caicedo Ferrer presented another proposal for the creation of local administrative boards, but, as the New Constitution was recently been adopted and the rules pertaining the city changed, he had to adapt his proposal to the new legal framework. On February 19 of 1992, he presented a proposal pertaining the city's political and administrative division that was approved by the City Council after the first local elections took place on March 8 of 1992.

### **7.2.3 The First Local Elections**

On March 8, 1992, less than a year after the New Constitution was proclaimed, the city held the first elections of local board members, *ediles*. This was undoubtedly an important event for the city's political life. For the first time, citizens were electing or being elected in a new layer of government, and governance was much closer to them than before; traditional and new political players contested in a new political arena. Although the interpretations of the results are very diverse, no one contests the importance of this electoral process (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001).

The 1992 elections had important characteristics that are worth mentioning. It was the first time, in a municipal election, that an electoral leaflet was used, which included the option of a blank vote; the leaflet added transparency to the process and give a political option to those that did not feel represented by the candidates' lists. Yet, it was also the last election in a long series of electoral processes; between 1990 and 1992, 12 elections and 3 public consultations occurred. The electorate was fatigued, and participation in the local boards and mayoral elections was lower than expected (Gaitán and Moreno Ospina 1992).

In addition, three important events that occurred between 1990 and 1992 affected the city's electoral results. First, increasing levels of political violence, not experienced since the violent period between 1946 and the mid-1950s called *La Violencia*, second, the process leading to the constitutional reform, and the values conveyed by the New Constitution of 1991; and third, the fact that for the first time in modern history, bipartisanism was defeated in a national electoral process.

In the 1990 presidential campaign, three candidates were murdered, two of them from the left, additionally the systematic prosecution of the *Union Patriótica*, a leftist coalition party, illustrated the reality of the war in the midst of peace conversations. In fact, it was a time in which the paramilitary groups became increasingly active. It is difficult to judge if it was because of these facts, or despite them, that the civil society was able to push forward a constitutional reform.

It was in the elections for the Constitutional Assembly at the end of the year 1990, that the *M-19*,<sup>71</sup> a guerrilla movement recently reintegrated to the civil society, obtained the majority of votes. For the first time in history, it defeated the traditional bipartisanism, represented by the Liberal and Conservative parties (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b, pp.53-54).

Bogotá, as the capital of the country, directly experienced the impacts of these developments. The lack of credibility of the traditional parties was aggravated by the increased level of political prosecution. Many decided to vote "blank" to protest against antidemocratic and exclusionary practices, and many decided to support alternative movements and candidates to express their solidarity. In fact, the candidacies of the political and social movements differed from the two traditional parties, and promoted significant participation of organizations and individuals in the first local elections.

For the first time, in 1992, Bogotá elected the central authority, the Mayor, side to side with local board representatives, *ediles*; undoubtedly new forms of governance, pre-existing or not, emerged from the new political structure. Those who were politically active in the localities,

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<sup>71</sup> The Movement April 19 was founded after the presidential elections on April 19 of 1970; its founders claimed that their candidate, Gen. Gustavo Rojas Pinilla, won the elections, but was defrauded by the conservative party. A faction of Gen. Rojas Pinilla supporters, considering that the political elites would not let any other political force to participate, in fair conditions, decided to create a nationalist army movement.

which were traditionally ignored, or represented by a small political clientele, found their own political arena; for the elections of 1992, 1,319 local electoral lists were registered for electing 184 *ediles*.

Table 36 presents the number of electoral lists registered by political affiliation to illustrate the diversity of the first local elections.

**Table 36: Lists by Political Affiliation, JAL 1992**

Political Affiliation	Number of Electoral Lists
Liberales	452
Conservadores	203
Otros	267
Cívicos	230
Izquierda	66
Cristianos	77
Anapo	0
Coaliciones	4
Indigenas	3
Metapolíticos	17
<b>Total</b>	<b>1319</b>

Source: data from ILCG (2001b, pp.53-54)

It is said that due to the fast pace of the first local elections, only the traditional parties had the time and experience to capitalize on this opportunity; 58 percent of the available seats were obtained by the traditional bipartisanship (Segovia Mora 1994, p.27). Nevertheless, and significantly enough, communitarian, religious and other independent organizations were able to elect 56 *ediles*, representing 40 percent of the available seats; bipartisan votes held 37.5 percent and non-bipartisan 34.5 percent of the total. In subsequent elections, as it will be presented, bipartisanship recovered its supremacy.

The significance and level of participation in the first local elections became relative when considering that it has been estimated that 85 percent of the registered electoral lists did not elect any candidate. This level of dispersion was used as an argument for questioning the role of local elections in enhancing democracy. The more lists the least effective, when measuring effectiveness by dividing the number of seats obtained by the number of lists registered by each party or political group (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b,

pp.142-145 v.2)<sup>72</sup>. Table 37, illustrates the level of effectiveness by political force in the 1992 local elections

**Table 37: Effectiveness in Local Elections, 1992**

Party	Lists	Seats	Effectiveness
Liberals	452	71	15.71
Conservatives	203	35	17.24
Others	267	24	8.99
Civic Movements	230	26	11.30
Left	66	15	22.73
Christians	77	6	7.79
Anapo	0	0	0.00
Coalitions	4	4	100.00
Indigenous	3	0	0.00
Meta-politics	17	3	17.65
<b>TOTAL</b>	<b>1319</b>	<b>184</b>	

Source: ILCG, V.2, pp.146-147

Certainly, the traditional parties endorsed as many candidates as they could and it is not clear how many of them entered the electoral contest under the label “others”. Nevertheless, the fact that non-bipartisan forces were able to elect a significant number of candidates illustrates the great significance of the local elections in regards to changing the system of governance in the city and setting an example for the country. It is not so much a matter of quantity as it is of quality; before these elections, the liberals and conservative dominated the city’s political life and had the power to exclude any other political forces. In 1992, leftist parties, indigenous’ groups, women’s movements, christian organizations, environmentalists groups, and a variety of civic groups participated in the local elections and elected a significant number of representatives. While the level of political effectiveness of these groups may be questioned, their existence is a reality.

The result of these elections was the establishment of the first JAL in the city, which would be in charge of constituting and presenting the trio of local mayor’s candidates to the city’s mayor, discussing and approving local projects, budgets and contracts, and representing local interests to the central government. The local mayors, once elected would be in charge of managing the local funds and implementing local projects. The City Council still needed to

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<sup>72</sup> A deeper quantitative analysis is conducted in the next chapter when reviewing political participation.

discuss and approve regulations for this new layer of government, and governance, to begin functioning.

On April 28 of 1992, the City Council approved Agreement 6 of 1992, as a development of the proposal presented by mayor Juan Martín Caicedo on February 19 of the same year. Agreement 6 outlined the functions and procedures of local authorities, defined the structure of Local Development Funds, and authorized the mayor to continue defining and implementing the future model of decentralization. This decree gave the city's mayor a timeframe, until June 30 of 1992, for defining and improving the structure of local governments, and their relationship with the central government, and for providing the physical and economic resources for the functioning of the first local boards in the second half of 1992.

By the time Decree 6 was approved, Juan Martín Caicedo was in jail for having approved certain money transfers that the New Constitution banned. What prevailed in the discussion at the City Council was a pragmatic approach, *we will learn decentralization by doing it* (Velásquez Gavilanes 2003, pp.52-57). In the midst of a much-debated absence of the Mayor, and a new electoral process in the city, not much happened in the following months. These were supposed to be the months for defining this new level of government. Sonia Durán de Infante, the mayor in charge while Juan Martín Caicedo was in jail, was the only female mayor that the city has ever had. She did not have more than a month in office, and soon, in June of 1992, the new elected mayor, Jaime Castro, was ready to take office.

### **7.3 THE TRANSITION: LEARNING BY DOING**

On March 8 of 1992, with the addition of 184 local board members, *ediles*, the city elected a new mayor, Jaime Castro. He was recognized as a believer in decentralization, as he was central to the political reform of 1986, which created elections for mayors in the country, and presented the proposal for the decentralization of Bogotá as a member of the Constitutional Assembly. He was also the official and unique candidate of the liberal party in the mayoral election.

Castro's administration was in charge of implementing the decentralization reform, governing with a new political and legal framework, and bridging the past and the future. Jaime

Castro was a recognized liberal figure in a liberal city known. He, like most of the city's previous mayors, appointed or elected, had held important political posts; he was minister under the Pastrana and Lopez Michelsen presidencies, and minister of government under Betancur and Barco (Gilbert and Dávila 2002, pp.38-39). He was part of the political networks of both the country and the city, and was familiar with the prevailing political culture. He did not have major problems dealing with the council or selecting local majors, at least at the beginning.

Despite Castro's prestige, his party's support, and the participation of 16 additional candidates (13 men and 3 women), only 26.25 percent of the potential voters participated in this election. As mentioned before, the main reason could have been that the electorate was fatigued, and that the attention was divided between central and local elections. The new Mayor obtained 54.16 percent of the total votes; the conservative candidate 18.56 percent, and the blank votes ranked third with 11.65 percent of the total votes (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b, pp.59-61).

### **7.3.1 Setting priorities: to decentralize or to govern?**

Jaime Castro began his administration on June 1 of 1992, inheriting important unfinished goals regarding initiating the new decentralized structure. The definition of procedures for the new local authorities, the creation of mechanisms for coordinating the central and local governments, and the appointment of personnel to work at the localities were all still pending. Castro was required by the Council to fulfill the terms established by Agreement 6 within the month, he had to finish the aforementioned goals and the transfer of resources to the localities by June 30 of 1992, so that the local boards could start "governing" on the 1<sup>st</sup> of July.

The central administration located sites for hosting the local governments, transferred the resources for local development, dictated the procedures for administering the local funds, and gave authority over certain organizations to the local authorities, all in less than a month. The process of creating a decentralization policy in the city was rushed from the very beginning.

The local elected boards started "governing", as projected, on July 1 of 1992. One of their first tasks was to arrange trios of candidates for local mayors to present to the city's mayor. The lists of candidates were evidence of the influence of city council members in the selection of candidates; the council was interested in capitalizing on this new political arena. Nevertheless,

the council would have to compete with local offers from community and civic candidates, given the opening of the new political arenas to both old and new players (García Sánchez 2001).

The local elected boards were also forced to “learn while doing”; they had to govern without a clear framework and were accustomed to a political culture in which particularism prevailed over the common good. They were expected to approve local budgets by the end of July; within a timeframe of two months, they had to identify and discuss local projects, create a local development plan, and define the use of local budgets. It is difficult to imagine that even experienced managers could have accomplished such goals in such a short time; expectedly, all these tasks were delayed. Most localities did not approve the 1992 budget until the end of that year; consequently, most of them began the year 1993 using the previous year’s budget.

In addition to the lack of clarity, coordination, and organizational capacity at the local level, and the lack of attention from the central government, the continued use of traditional political practices at all levels of government, discredited the first steps of the decentralization reform. Denouncements of corruption, clientelism, and bad administration were filed against many local mayors and *ediles*.

Raúl Velásquez believes there are several causes for the performance of local authorities, including “*Lack of clarity and inadequacy of the legal framework regulating local authorities, the unanticipated complexity of governing at the local level, and, the attitude towards the reform from the Mayor, the ediles, and the local mayors*” (also at Velásquez Gavilanes 2003, p.71).

One of the major problems originated in the fact that the members of the local boards were both judges who were to receive resources, and administrators of the projects. Another legal principle that in practice represented a problem was the fact that local mayors could not be dismissed by the city’s mayor, although they were, and are, city employees. Jaime Castro was a passionate defender of this legal principle, despite what ex-mayors of the city recommended.

The legislation also established, as part of the administrative decentralization, the allocation of human resources for supporting the local boards, thus, part of personnel working in central agencies were to be transferred to localities, in order to transfer their expertise. Nevertheless, the central agencies were not restructured, nor even informed of the new distribution of functions. As a result, only employees that were considered “unessential” were “lent” to the localities, and they remained employed by the central agencies and subject to their hierarchies, often creating a conflict of interests and loyalties.

A third element of the decentralization policy design that was as inadequate was the mechanism for selecting local mayors. First, it was very time consuming for the local boards to select the three candidates to be presented to the mayor. Even more importantly, the probability that these candidates represented the populace was very low, given that the dominant group within the board might impose three of its candidates on the other members. Alternatively, pre-negotiated budget allocations in exchange for including candidates of non-dominant groups. Once the local boards presented their trios, the mayor had to interview all 60 candidates in order to nominate local mayors; this was another time consuming part of the process. Because of that, some localities still did not have a local mayor by September of 1992 (Velásquez Gavilanes 2003, p.74).

Each piece of the local government started working at a different time, which not only made the coordination and attribution of responsibilities very difficult, but also contributed to duplication and waste of resources. The lack of expertise added to the unclear division of functions, and the mainstream political culture promoted the creation of local development plans with very diverse scopes. Some plans aimed to meet all the locality's needs, including health, education, utilities coverage, which they could not do; others wanted to invest all their resources into infrastructure, following the traditional practice of inaugurating buildings and parks (Zamudio Castañeda, García Velandia, and Katz García 1997). Further complicating the implementation of the decentralization reform were the complexities and conflicts created by the addition of, at minimum, 20 new political actors to the city's system of governance. The central government now needed to coordinate and collaborate with these new players directly, and their networks indirectly.

Partially due to the complexity of implementing the decentralization reform, but mostly, according to Mayor Castro because "*the city was in bankruptcy and its finances in disarray, what was urgent was to heal the city's finances,*" Castro's administration prioritized deep administrative and financial reform. According to Castro, during the 1980s, Bogotá's spending soared but its tax revenues did not; the government relied on credit to balance the budget and took out new loans to alleviate its debt payments (Castro 1994).

Castro's main contribution to the city, as mentioned by the experts, was to put the city's finances in order and strengthen the city's financial capacity. It was based on this sound financial ground that later administrations managed to modernize Bogotá (Pizano 2003). Castro's tributary



reform increased the city's tax income by 66 percent in 1993 (Cámara de Comercio de Bogotá and Federación Nacional de Comerciantes 2001). Many concurred with Raúl Velásquez's commentary, "*Castro was an institution builder, then came Mockus and planned and then Peñalosa and spent the money.*"

Therefore, although Jaime Castro's development plan, "*Prioridad Social*", listed decentralization as one of its six strategic areas (Cámara de Comercio de Bogotá 1990, p.35), decentralization was not a priority in practice. He did not support the idea of providing human resources to the localities and instead he assigned functionaries from the central government; his aim was to save in personnel costs, which he probably did. He did not create a technically capable unit at the central government to coordinate the new system, nor did he promote participatory planning (Velásquez Gavilanes 2003). Additionally, and probably because of his concentration on the city's finances, the expected transfers of resources to the localities were delayed, underpaid, or sometimes nonexistent (Zamudio Castañeda, García Velandia, and Katz García 1997, pp.42-54).

It was expected that Castro's development plan would include, for the first time, the twenty local development plans; nevertheless, the government's plan was elaborated without consulting the local authorities and disregarding their recommendations (Zamudio Castañeda, García Velandia, and Katz García 1997, p.111). Local leaders and organizations were aware that the new institutional framework entitled them to participate and created local development plans, expecting that the new local authorities and accordingly the central government would recognize this effort. That was not the case, neither the local authorities or the central government incorporated the people on the local plans into the new system (Cifuentes Noyes 1994, p.143).

An additional element that added to the complexity of the local systems was the presence of a number of organizations with overlapping goals. From those coming from outside the communities, such as the central government, the national government, international agencies, national NGOs, the church, and others, to those from within the communities, including local NGO, civic and religious organizations, and diverse interest groups.

In the end, people had their own ways of participating and resorted to well known mechanisms. During the first year of Castro's administration, there were 70 social protests, well above the average in the previous decade (Pedraza 2001, p. 34). A number of protests were

directed against local authorities, but most of them were directed towards the central administration (Zamudio Castañeda, García Velandia, and Katz García 1997, p.113).

After a year of implementing the decentralization reform, the local authorities were pretty much discredited; some even questioned their own validity<sup>73</sup>. An evaluation of the local authorities, published in the largest newspaper in the country, *El Tiempo*, mentioned that inefficiency, corruption, clientelism, and bad administration were the salient issues in their performance (El Tiempo 1993). It is important to notice that, as mentioned by Lariza Pizano<sup>74</sup>, “*The media had traditionally discredited the City Council, and because of the close association of ediles with councilors, they were distrusted and closely watched by the media.*”

With the many questions arising after the first year of implementing the decentralization reform, it was expected that the promulgation by the Congress of a new city’s statute in June of 1993 would bring much-needed clarifications. Nevertheless, Congress did not accomplish this goal on time. Consequently, on July 21 of 1993, César Gaviria promulgated the new statute *Régimen Especial para el Distrito Capital de Santafé de Bogotá* using the special powers conferred to him by transitory article 411 of the New Constitution, by presidential decree 1421.

### **7.3.2 Decree 1421 of July 21, 1993-El Estatuto Orgánico**

Decree 1421 of July 21, 1993, known as the *Estatuto Orgánico*, hereafter referred to as EOB, was the new normative framework intended for enacting the new constitutional mandates in Bogotá; it promoted political, social, and economic changes in line with those mandates (Bolívar and Reveiz 1998). The New Constitution’s mandates, the new law established the principles for the city’s administrative, political and financial reform, by:

- Redistributing functions and competencies between institutions
- Introducing and promoting fiscal and internal control
- Establishing mechanisms for ‘healing’ the financial system

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<sup>73</sup> A member of the city Council, Carlos Lemos, mentioned that Jaime Castro was suffering from his own invention, the *Juntas Administradoras Locales* (“El profeta Lemos” 1993).

<sup>74</sup> Lariza Pizano became city councilor when she replaced Juan Carlos Florez, who was elected in representation of the movement *Nueva Nación*. Later she was one of the founders of the movement *Por la Bogotá que Queremos*, a movement headed by Enrique Peñalosa for participating in the local elections.

- Redefining the administrative structure and strengthening the sub-local layer of governance

There is no unanimity of opinions regarding the EOB; one finds as many strong arguments defending it as criticizing it, in both documentation and interviews. Certainly, the EOB did change the organization of the city; it divided the city's administration into three levels, and defined functions and jurisdiction for each level, central, decentralized, and local (Bolívar and Reveiz 1998, p.10). Another element of the EOB recognized as positive was the redefinition of the division of powers between the city council and the mayor. The council's functions were defined as legislating and overseeing the actions of the executive; the mayor's function was to administer the city (Gilbert and Dávila 2002; Jiménez Benítez 2001). In practice, the change seems to have given more powers to the mayor and less to the council.

As mentioned by Jaime Castro, before the EOB, *"The Mayor had to co-administer with the Council, or even worst, to please it"*. Jorge Bustamante<sup>75</sup>, head of the City Planning Department under Juan Martín Caicedo, mentioned,

*Because four city councilors sat on the board of directors of each public company, decisions had to be negotiated with them each time, which made the council in fact a co-administrator with the Mayor. This is the reason why it took so long to liquidate companies that were losing money and draining the city's resources.*

To Juan Martín Caicedo,<sup>76</sup> *"The EOB divided the history of the city in two in regards to the role of the executive"*. In appearance, the councilors were the losers; nevertheless, Hipólito Moreno<sup>77</sup>, city councilor, agreed with ex-mayor Caicedo and added,

*The EOB introduced fundamental changes in the city's administrative culture, which for more than fifty years lacked a clear definition of functions. The EOB redefined the role of councilors and created institutions for controlling and watching the management of public affairs (...) In any case, every change brings certain amount of crisis.*

Tania Guzmán,<sup>78</sup> director of *Consejo Cómo Vamos*, a private-public partnership aimed at supporting and qualifying the City Council's performance, stated that the EOB introduced two

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<sup>75</sup> Interviewed on November 26, 2003

<sup>76</sup> Juan Martín Caicedo was mayor of Bogotá from 1990 to 1992, interviewed on November 26, 2003.

<sup>77</sup> Interviewed on November 19, 2003

<sup>78</sup> Tania Guzmán Pardo is the director of *¿Consejo cómo vamos?* (City Council, how are we doing?). Interview conducted on November 20, 2003.

significant changes in regards to the Council.

*First, it established that the councilors would have an honorarium, which professionalized their activities, but also created a different commitment to the citizens and the central administration. Second, it abolished the participation of councilors in the boards of directors of the city's decentralized public companies, and other boards involved in administering the city's budget and contracts; this change aimed to eliminate the councilors as intermediaries between public resources and their clienteles, and at adding transparency to the city's administration.*

Indeed, the relationship between the mayor and the Council in Bogotá has always been different from most other Latin American cities, as the mayor has never been an appointee of the council or a member of it (Ward 1996). With the exception of Andrés Pastrana, who was elected councilor in 1982 and 1984, mayor in 1986, and President in 1988. The mayorship of Bogotá is regarded as a high political position, for some only second to the president; in general, those aspiring to the city's mayorship have been national figures, while the City Council has been the preferred, and almost personal political arena for local politicians.

Besides defining new boundaries for the city's councilors, the EOB created the *Veeduría*, a supervisory body to promote social and internal control in public organizations, and introduced important mechanisms for enhancing the city's finances. It increased the sums likely to be generated by the general valorization tax, improved the procedure for assessing property values, and allowed the mayor to apply a toll on the price of gasoline (Castro 1994).<sup>79</sup>

Despite the enhancements caused by the EOB in the city's finances, Councilor Jorge Durán Silva strongly criticized the statute for not having increased the amount of money that the city receives from the national government. He stressed that although Bogotá generates a large share of the country's tax revenues, it receives a relatively small proportion of the money in transferences from the national government (Durán Silva 2003).

The EOB defined new policies regarding decentralization; some were favorable for enhancing the sub-local governments, some were regressive. The EOB entitled the City Council to create new and smaller localities, which would provide better representation and control to citizens. It granted permission to local authorities to use a portion of the local budget to rent an office and purchasing office equipment to enhance their performance. The EOB also established remuneration and benefits for the *ediles*, in order to ensure their dedication to serving local constituencies.

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<sup>79</sup> Which was defeated later.

The EOB also included important changes in the city's administrative policies, which clearly promoted deconcentration and delegation, although not so clearly decentralization. In fact, some suggest that the EOB promoted the recentralization of most of the attributions granted to sub-local governments (Zamudio Castañeda, García Velandia, and Katz García 1997; Jiménez Benítez 2001; Zubiría Samper 1994; Ossa Escobar 1995).

- The EOB established that the central Mayor may dismiss the local mayors, which before were nominated for a fixed period of government;
- The administration of all local funds was given to the central Mayor, and taken away from the local mayors; although the Mayor could delegate this function;
- The *ediles* were forbidden from participating in the executive boards of the Local Development Funds;
- The framework legislating transfers from the central governments to the localities was changed; according to Law 1 of 1992, the central government had to transfer 10 percent of the city's current income to the localities, rising this percentage by 2 percent until it reached 20 percent in 1998. The EOB established that the transfers amount should range between 10 and 20 percent, removing the mandate to increase it periodically;
- The EOB also established that local budgets had to be reviewed and approved by the city's new Political, Fiscal and Political Council (*CONFIS*), before being approved by the JAL, and that any changes introduced by the local board had to be reviewed and approved again by the *CONFIS*.

The EOB was supposed to recognize and incorporate the lessons learned in the first year of implementing decentralization (Velásquez Gavilanes 2003, p.86). The EOB reduced the autonomy of local mayors and the JAL in the management of local resources in response to denouncements of corruption and inefficiency. It established a minimum amount of inversion for local projects in response to the fragmentation of local investment. It also allowed the central Mayor to remove local mayors, in response to the existence of corruption and/or inefficiency.

Although the problems mentioned above were undoubtedly present in the first year of implementation, what is questionable is whether the measures offered are solutions to them. Other critics to the EOB refer to the fact that, although there was an opportunity to redefine the

city's administrative and political divisions, the EOB maintained the existing jurisdictions, ignoring important demographic, economic and social changes and leaving the city's territorial reorganization in hands of the City Council (Jiménez Benítez 2001, p.227).

In any case, as mentioned before, the EOB is a source of debate but also the main point of reference for subsequent developments of the process of decentralization. Raúl Lazala, local mayor of Kennedy in the first Mockus' administration, declared

*I have no doubts that the EOB enhanced the local level of governance. Before the EOB, the minor mayors, as they were called, were mostly in charge of approving local permits of diverse order. They became a kind of costume office where those who wanted to expedite the process of acquiring a license had to pay a toll. After the 1421, the local mayors became in charge of certain local problems improving their capacity to focus and impact local development.*

María del Rosario Bonilla<sup>80</sup> claimed that, “As recently as 1993, through the new organic statute it is possible to find clear delimitations of authority and functions in the city” (see also García Sánchez 2003, p.61). Others disagree with her and claim that functions and limits are still unclear, and that this is one of the reasons why the decentralization process has been so uneven (Mockus S. et al. 1997, P.18).

Lariza Pizano mentioned that, “The EOB did not define the distribution of powers enough; the Council was named the maximum authority in the city and they believe so, and because of that the government of the city is still shared between the mayor and the Council”. It is claimed that the lack of clear definitions in the EOB also applies to the localities and their authorities. Carlos Carreño,<sup>81</sup> a local *edil*, mentioned,

*The EOB is not clear about the role of the JAL and local mayors, and that affects the relations between them and their capacity to work together. It is common to find members of the JAL claiming that this is the top authority in the locality and local mayors claiming that they are the top authority. The EOB needs further development to clearly establish if the local boards are administrative, as stated in its name, or if their main function is legislative.*

During his second year in government, and after the EOB was promulgated, Jaime Castro supported the local government far beyond expected; many claim that his administration was under a lot of pressure, as the decentralization reform was central in his political campaign. He

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<sup>80</sup> María del Rosario Bonilla directed Bogotá's unit within the Nation School of Public Administration, ESAP, and has been a consultant for the city for over twenty years; she also teaches at several universities. Interviewed on November 19, 2003.

<sup>81</sup> *Edil* of the locality of Santafé under Peñalosa's administration, interviewed Jan 24 of 2005.

decided to concentrate on enhancing the local authorities' performance; he delegated the administration of local funds to the local mayors, now public servants of the central administration<sup>82</sup> and increased local investment from 11.6 percent in September of 1993 to 87 percent in December of the same year. Despite these efforts, at the end of his government, the evaluation of the local administrations was negative; inefficiency and corruption were said to dominate the local system of governance.<sup>83</sup>

It is important to mention that despite limitations and weaknesses in the beginnings of the decentralization reform, no one doubts its historical significance. As Fabio Velasquez<sup>84</sup> mentioned,

*Before 1992, the city's governability was in crisis, its legal framework was obsolete and its taxation structure was out of date. The New Constitution finally freed the city from the judicial limbo it was in for close to fifty-years with Decree 1421 of 1993, a kind of city constitution. It promoted the creation of a new legal framework for the city, the updating of the city's institutions, the enhancement of decentralization, the improvement of its financial structure, in particular in regards to tax collection. Castro was an institutions builder, he was a member of the constitutional assembly, he was the first mayor after the New Constitution, and he was a central figure in the expedition of decree 1421.*

It would be left to the next mayor to govern under the new rules and to continue implementing the decentralization reform.

#### **7.4 DECENTRALIZING UNDER THE 1421**

The 1994 elections were very significant because it was the first time in which the new electoral rules, mandated by the New Constitution of 1991, were applied; among them the extension of the mayors' administrative period from two to three years. In addition, the 1994 elections are remembered for the level of violence that accompanied the campaigns.

Between August and September of 1994, 34 political assassinations occurred; also during

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<sup>82</sup> Local mayors have been always functionaries of the central government, what changed was the fact the central mayor could dismiss them if unsatisfied with their performance.

<sup>83</sup> Reports from the Contraloría de Santafé de Bogotá, the public finances watch organization, present an evaluation of local governments, see for example *Gestión de las Localidades del Distrito Capital 1992-1994* (Contraloría de Santafé de Bogotá 1995).

<sup>84</sup> F. Velasquez is professor in Political Science at the Universidad Javeriana in Bogotá, his doctoral dissertation at Oxford University focused on public policies towards localities in Bogotá after the decentralization reform. First interview conducted on September of 2003, second interview on November 18 of 2003.

that year, 23 mayors were killed; a high toll even for Colombia, a country in which pre-electoral years have always been times for increased violence (Hoskin, Masías Núñez, and García Sánchez 2003; García and Hoskin 2003). Despite the peak of pre-electoral violence, on October 30 of 1994, new Mayors, municipal councilors, departmental assemblies' deputies, and governors were elected in the country.

In the 1994 elections, for the first time in Bogotá's history, the two traditional parties, Liberal and Conservative, were defeated (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b, V.2 p.69). Furthermore, it was the first time that a candidate without political affiliation mobilized voters from all positions in the political spectrum and became Mayor of Bogotá. Due to the political significance that the city has, the 1994 elections became a milestone in the history of the country as well.

The City Council, on the other hand, remained dominated by the two traditional parties, a fact that complicated an already difficult relationship between the Mayor and the Council. Liberals obtained 18 seats, representing 53 percent of the total; and Conservatives obtained 11 seats, representing 32 percent of the total (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001, p.156)<sup>85</sup>. Finally, in 1994 *Bogotanos* also elected the second generation of local board representatives or *ediles*.

#### **7.4.1 The second generation of *Ediles***

Regarding the second generation of local board representatives, it is asserted that the 1994 electoral process consolidated this new layer of government and governance; as it will be shown, participation increased, though effectiveness decreased. For the localities' second electoral process, in order to reduce dispersion and enhance representation, a new rule was introduced, any candidate would had to be supported by a political party or movement, and independent candidates had to be supported by a minimum number of citizens and pay a registration fee.

Interestingly enough the rule did not have any effect; indeed, the dispersion actually increased. The number of electoral lists registered in 1994 was 1579, compared with 319 in

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<sup>85</sup> The percentage of seats obtained by the two traditional parties, as presented by different sources, varies because in 1994 a special seat was created as part of the peace process and given to a representative of the guerrilla. Thus, in 1994, the total number of seats was 35, yet the seats for which the traditional parties competed were 34.



1992. What the new rule promoted, probably not deliberately, was the fortification of the two traditional parties, as they were able to register more lists than in 1992 and obtained 106 of the 184 seats available. A noticeable and important exception was the indigenous movement *Alianza Social Indígena* (Indigenous Social Alliance), which won two seats in 1994. Table 38 presents the number of lists by political affiliation in 1992 and 1994<sup>86</sup>.

**Table 38: Number of electoral lists by Political Affiliation, JAL 1992-1994**

Political Affiliation	Year	
	1992	1994
Liberales (liberals)	452	932
Conservadores (conservatives)	203	363
Otros (others)	267	89
Cívicos (civic)	230	47
Izquierda (left)	66	48
Cristianos (Christians)	77	40
Anapo	0	20
Coaliciones (coalitions)	4	0
Indigenas (indigenous)	3	26
Metapolíticos (meta-politics)	17	14
<b>Total</b>	<b>1319</b>	<b>1579</b>

Source: data from ILCG (2001, p.156)

Red: reduction    Blue: increase

Additionally, the second generation of *ediles* was not as new as one might think, 70 *ediles* were reelected, which represented 33.15 percent of the available seats. For someone not familiar with Colombia's political practices, this might appear as a sign of support from the constituents to their representatives; unfortunately, several denouncements of clientelism and electoral fraud left a shadow of doubt on the transparency of the second sub-local elections.<sup>87</sup> Finally, effectiveness<sup>88</sup> also decreased as obtaining a seat now required a higher effort, in terms of average number of electoral lists registered.

<sup>86</sup> As mentioned before, a detailed analysis of the electoral results is presented in Chapter 8.0, in the analysis of participation.

<sup>87</sup> The use of irregular practices in elections is a common practice in Colombia and Latin America; for more about Bogotá, see Leal and Dávila (Leal Buitrago and Davila L 1990).

<sup>88</sup> Refers to the number of seats obtained by dividing the number of lists registered by each party or political group. The more lists the least effective (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b, pp.142-145 v.2).

Table 39 presents the level of effectiveness in the 1994 elections.

**Table 39: Effectiveness in Local Elections, 1994**

Party	Lists	Seats	Effectiveness
Liberals	932	101	10.84
Conservatives	363	43	11.85
Others	89	19	21.35
Civic Movements	47	8	17.02
Left	48	8	16.67
Christians	40	1	2.50
Anapo	20	1	5.00
Coalitions	0	0	0.00
Indigenous	26	3	11.54
Metapolitics	14	0	0.00
<b>Total</b>	<b>1579</b>	<b>184</b>	

Source: ILCG, V.2, pp.146-147

Red: Reduction Blue: Increment

What the data does not show is that many candidates that registered themselves under the label “others” or “civic movements” were actually supported by traditional parties. There was a trend to appear as politically independent or “apolitical” due to the lack of credibility and legitimacy of traditional political elites. Thus, actual independent candidates had to compete with candidates from traditional parties “disguised” as independent (Velásquez Gavilanes 2003, p.100).

Finally, these elections clearly proved that the size of localities in Bogotá represented a real problem for representation; they were *ediles* elected with as low as 530 votes, representing localities with more than 500 thousands inhabitants (Zamudio Castañeda, García Velandia, and Katz García 1997, pp.92-95). As mentioned in several interviews, “*In reality, and edil could be elected by his or her family.*”<sup>89</sup> It is also claimed that the smaller a locality is, the more its citizens know about the candidates and the more they are willing to participate (Velásquez Gavilanes 2003, p.98).<sup>90</sup>

Nevertheless, there were improvements in the second elections. For one, the level of participation was higher than before, 34.4 percent, compared with 30.2 percent in 1992, and also

<sup>89</sup> As mentioned by Jaime Silva B.

<sup>90</sup> Enrique Peñalosa also mentioned this argument when interviewed; he claims that the localities should not have more than 100,000 inhabitants.

higher than the turnout for electing the City Councilors (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001).

Despite the increase in participation and the reduction of blank votes (from 22 percent to 13 percent), the numbers are still so low that the question of credibility is unavoidable; does decentralization enhance democracy? To this question, all interviewees replied an emphatic *yes*.

The second generation of *ediles* had to govern within the legal framework of the EOB, which, as mentioned before, in practice reduced their autonomy. They would also have to govern with the first independent Mayor of Bogotá, Antanas Mockus, the *philosopher-mayor*. The characteristics of Antanas' campaign and program, and even his personality, made the 1994 Mayoral election an important piece of Bogotá's political puzzle.

#### **7.4.2 Politics of anti-politics: electing a mayor in 1994**

The 1994 Mayoral elections were special in many ways. Only three candidates ran for one of the most politically valuable post in the country: Enrique Peñalosa, a liberal, Carlos Moreno de Caro, running as conservative, and Antanas Mockus, running as independent and breaking all the rules of the political game. Antanas Mockus, a mathematician and philosopher, well known in Bogotá for his unorthodox behavior while heading the *Universidad Nacional de Colombia* (one of the most important public universities in the country) ran a campaign full of rituals and symbols, that was regarded by some as an alternative and valuable hermeneutic, while others regarded it as a riddle without sense (Sanín 1995).

Although Gustavo Petro, a Congressperson representing the M-19, promoted the participation of Antanas Mockus in the 1994 elections, he chose to run a campaign without any political affiliation (Peña 1995, p.67). In fact, he chose to use his lack of ties to a political group as part of his appeal; in consequence, he ran his campaign as an anti-politician, a term very debatable for describing someone participating in an electoral process. In any case, the division, real or not, between "the politicians," who were seen as corrupt, inefficient, authoritarian, and selfish, and the anti-politician, who was seen as free of these flaws, was central to Antanas' victory (Sanín 1995; Peña 1995).

For once, the city was tired of its politicians, burned by the recent scandal of money transfers to the *ediles*, with a mayor still in jail, Caicedo Ferrer, and another that did not govern as

expected, Jaime Castro (Sanín 1995, p.5). In addition, the media, fascinated with Antanas' strategies, gave his campaign extensive coverage free of charge; the candidate disguised as a super hero, distributing pins at intersections of important avenues, or promoting his campaign with children's games, was presented in local and national newspapers, radio and TV stations.<sup>91</sup>

These facts, gave Antanas Mockus an easy victory over Enrique Peñalosa, a well-known and respected liberal, and an even clearer victory over Carlos Moreno de Caro, supported by the Conservative party and well known for his "traditional" political practices (Bustamante 1995; Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b). Antanas Mockus obtained 62.5 percent of the total votes; Enrique Peñalosa 29.2 percent, and Moreno de Caro 2.6 percent. Nevertheless, only 29.7 percent of the potential electorate participated in the elections (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b, pp.73-74).

Antanas Mockus' victory was very significant because an independent candidate now controlled the Mayorship of Bogotá, the second most important political position in the country after the presidency. Its victory proved that citizens were ready to welcome alternative political options (Bustamante 1995, p.84). Mayor Mockus is a political figure who promotes interesting debates, including those concerning his role in the development of decentralization (Bustamante 1995; Zamudio Castañeda, García Velandia, and Katz García 1997; Velásquez Gavilanes 2003).

### **7.4.3 Stick and Carrots to "educate"**

Antanas Mockus began his administration on January 1 of 1995. He was the first mayor that, according to the new laws, had to present a development plan for the city was consistent with the government plan supporting his campaign, and be submitted for evaluation of the City Council, the Territorial Planning Council, and the citizens.<sup>92</sup>

Antanas' development plan, *Formar Ciudad*, aimed at balancing individual and social development and progress, enhancing the city's competitiveness, and promoting equity

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<sup>91</sup> Antanas Mockus spent 26 million pesos in his campaign; an amount insignificant for running a campaign in Bogotá (El Tiempo 1995).

<sup>92</sup> Law 131 of 1994 ruled that governors and Mayors should govern according to their government plan, otherwise, citizens have the right to remove them from office. Law 152 and agreement 12 of 1994 established that the city's development plan must be publicly discuss and evaluated.

(Zamudio Castañeda, García Velandia, and Katz García 1997, p.118); to do so six priorities were proposed:

- *Cultura Ciudadana* (civic culture) - the backbone of Antanas' development plan, to promote habits and behaviors adequate for social living, and civic auto-regulation (the allocation to this priority from the total budget was 3 percent)
- *Medio Ambiente* (environment) - to prevent and mitigate the deterioration of the environment (9 percent of budget)
- *Espacio Público* (public space) - to recover those spaces considered as public (10 percent of budget)
- *Progreso Social* (social progress) - to promote human development and living together (28 percent of budget)
- *Productividad Urbana* (urban productivity) - to improve the city's infrastructure and enhance the city's human capital (32 percent of budget)
- *Legitimidad Institucional* (institutional legitimacy) - to improve the city's administration as a mean to promote credibility of the institutions (18 percent of budget)

On February 28, the Territorial Planning Council opened public debate regarding the plan, which lasted for 30 days. According to Pedro Santana, president of the Council, more than 4,000 leaders participated in the debate, in addition to eleven meetings of experts to discuss and evaluate the plan (Bustamante 1995, p.266). The plan provoked contradictory reactions, particularly regarding the aim of educating the citizens.

The Territorial Planning Council submitted a document with comments and recommendations to be included in the final version of the plan. One of their most important remarks was the need to articulate the civic culture proposal with concrete policies regarding structural problems in the city, such as inequality, poverty and unemployment (Consejo Territorial de Planeación de Bogotá 1995).

On April 30 of 1995, the mayor presented his development plan, *Formar Ciudad 1995-1997*, to the City Council for final discussion and evaluation. The Council, which remained controlled by the two traditional parties, debated the mayor's plan and requested, in line with previous critics, that the mayor more specifically define the goals and timeframe to implement *Cultura*

*Ciudadana*, the central strategy of the plan. The Council suggested some other changes; Mayor Mockus, in response, incorporated some of the recommendations, but rejected others that he considered unacceptable. On May 31, one day late in regards to the closing date stipulated, the Council approved Mayor's Mockus development plan. Nevertheless, Antanas Mockus decided to adopt the plan by executive decree 295, on June 1 of 1995, without concerting with the Council and claiming that the Council did not fulfill the stipulated deadline (Zamudio Castañeda, García Velandia, and Katz García 1997, p.121).

On May 30 of 1995, Mayor Mockus sent a letter to the Council's president, Enrique Vargas Lleras, mentioning which changes, introduced by the Council, he considered to be unacceptable; this was the first open confrontation between the Mayor and the Council. The Mayor declared to the media that the Council introduced changes to the plan for which his approval was required, and remarked that the "old political class" was not interested in change (El Tiempo 1995). The president of the Council declared, "*Mockus is chasing unnecessary fights*" (El Tiempo 1995).

The press, in general, celebrated what they called the *Antanazo*, as a demonstration of the Mayor's courage and determination and predicted that, considering the bad reputation of the Council and high support for the Mayor in the city, the Council would have to cede to the Mayor's proposals (Pombo 1995). The Council contested the legality of the Mayor's decree and asked for its suspension under *Cundinamarca's* tribunal; on August 4, the tribunal denied the Council's request.

The troublesome relations between Mayor Mockus and the Council persisted for most of his government. This may have happened due to the independent political status of the Mayor, or to inherent features of the new arrangements that did not function. In any case, as mentioned by Gilbert and Dávila, the new division of responsibilities between the executive and the Council established by the new EOB, does not seem to have helped the conflict (2002, p.44).

Regarding decentralization, on April 15 of 1995, Mayor Mockus requested that the City Council extend the special faculties granted to Mayor Castro to him, in order to produce the guidelines for elaborating the local development plans. The Council denied his petition, arguing that this ruling was strictly a Council matter. By that time, the twenty presidents of the local administrative boards declared an emergency; as they had worked on their development plans but were waiting for the required legislation to get approval and resources, they demanded the Council to expedite the ruling.

On May of 1995, the Council started discussing a decree for regulating the local development planning, which was approved in June. On July 5, the Mayor objected to the Council's agreement, alleging it was based on a faulty assumption of considering the *localidades* as autonomic entities, when they actually were part of a bigger system, the city. Mockus was not committed to decentralization and it was not a priority in his government plan; besides, he was right in objecting to the Council's proposal, because it copied the national legislation regarding municipalities, which could not be applied to the city (Velásquez Gavilanes 2003).

On August 3 of 1995, Mayor Mockus issued Decree 425,<sup>93</sup> which provided regulations for creating local development plans through participatory planning; the main central authority in charge, as mentioned in the decree, was the City's Planning Department,<sup>94</sup> not the local administrative boards, nor the local mayors. Mayor Mockus declared that that this was a definitive test for the JAL and for decentralization; if they succeed in producing local plans, they would have proven that they were capable of governing (Zamudio Castañeda, García Velandia, and Katz García 1997, p.124), although their role in the process was minimum.

Decree 425, conceived by the Mayor as a pedagogic strategy, invited citizens and organizations to be part of the local planning process by participating in public meetings, in which any citizen or organization could present a project to be discussed. The aim was to increase participation and accountability, and avoid the common practice of clientelism, not to promote decentralization.

Nevertheless, it was undoubtedly a very interesting process, as for the first time it was mandatory that citizens were involved in planning their own development, and taking part in deciding where to invest local funds.<sup>95</sup>

Mayor Mockus convened public meetings in each locality to present the following methodology to local authorities and communities (Ardila Gómez 1997, p.60):

1. Citizens and organization present investment projects;

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<sup>93</sup> This decree was changed in the administration of Enrique Peñalosa (1998-2000) by Decree 739 of 1998.

<sup>94</sup> To read Decree 425, visit: <http://calsegen01.alcaldiabogota.gov.co:7772/sisjur/normas/Norma1.jsp?i=1884>

<sup>95</sup> This was the first time that citizen's participation was formally required and supported by the law; nevertheless, there were previous experiences in which the central government invited citizens to be part of a planning exercise, or in which citizens took the initiative of participating in local planning. For more, see Corte and González, 1989 (Corte and González 1989).

2. The Local Technical Committee<sup>96</sup> studies the projects, selecting those aligned with the priorities of the central government plan, and local citizens' preferences.
3. Proponents of projects selected by the committee participate in public meetings to discuss their proposals;
4. The Local Technical committee ranks and reviews the projects and makes a final selection;
5. The local mayor elaborates the local development plan;
6. The *JAL* reviews and approves the plan.

The time-frame explicitly stated by Decree 425 was: 15 days to present projects, 2 days to discuss and pre-select them, 1 day for publishing the selection, 6 days for hearing proponents, 2 days to select the final projects, and 2 days for the local mayor to elaborate the local development plan and present it to the JAL (Velásquez Gavilanes 2003).

Between August and October of 1995, the twenty localities engaged in the process of producing their local development plans; in the first stage of the process, individuals and organizations presented 13,174 projects to the technical committee.

Table 40 presents the number of inhabitants, the number of projects presented, and the number of projects per 1,000 inhabitants, by locality.

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<sup>96</sup> The local mayor, the *ediles*, the members of the planning commission of each local board, and an expert from the city's Planning Department constituted the Local Technical Committee.



**Table 40: Participation in Local Planning, 1995**

	Locality	Population 1993	# of projects	# Projects/1,000 Inhab.
1	Usaquén	208,467	467	2.24
2	Chapinero	354,557	447	1.26
3	Santafé	116,053	300	2.59
4	San Cristóbal	103,039	736	7.14
5	Usme	417,417	795	1.90
6	Tunjuelito	199,461	912	4.57
7	Bosa	211,866	397	1.87
8	Kennedy	681,139	1.023	1.50
9	Fontibón	588,914	1.143	1.94
10	Engativa	184,491	482	2.61
11	Suba	132,474	405	3.06
12	B.Unidos	95,801	257	2.68
13	Teusaquillo	101,502	311	3.06
14	Martires	298,257	442	1.48
15	Antonio Nariño	24,627	269	10.92
16	Pte.Aranda	390,506	689	1.76
17	Candelaria	218,38	795	3.64
18	Rafael U.U.	389,661	1.444	3.71
19	Ciudad Bolívar	767,633	1.635	2.13
20	Sumapaz	16,751	225	13.43
<b>Total</b>		<b>5,500,996</b>	<b>13,174</b>	<b>3.68</b>

Source: *Diez Años de Participación en Bogotá*, (Pedraza 2001, p.8)

Evaluations of this initial participatory planning recognize important advances promoted by this process, yet, they also point to important failures. Some positive results promoted by the process of participatory planning are that it:

- Brought closer the central government to the citizens;
- Summoned a level of citizen's participation unknown in the city;
- Improved the quality of the local plans, compared with those produced in 1992 (Ossa Escobar 1995);
- Increase the acceptance and legitimacy of local plans as citizens were included in their creation (Ardila Gómez 1997);

- Provided the central government with a unique opportunity to learn about local problems and local leaders;
- Provided a unique opportunity for local players to learn about norms and institutions governing the city;
- Provided local players with a new identity and a closer arena for negotiating their interests (Diaz Uribe 1994);
- Improved coordination among central organizations and institutions;
- Improved transparency, accountability, and legitimacy in the city by involving citizens in the process of planning and allocating resources (Pedraza 2001; Velásquez Gavilanes 2003; Bonilla, Pulido, and CEAD 2002).

Some failures and limitations of the process are that:

- The lack of expertise of local players and the level of technicality required for presenting a proposal excluded many people from participating;
- Discussions regarding how to prioritize the proposals were not well-informed, due to the lack of accurate and up-to-date information regarding unsatisfied basic needs in each locality (Contraloría de Santafé de Bogotá 1995);
- The process of participatory planning did not improve the quality of participation because:
  - It ignored the differences in capacity, education, and expertise among those presenting proposals ;
  - It did not allow enough time for preparing and discussing proposals, and therefore the number of proposals prevailed over the appropriateness of proposals;
  - The lack of power for affecting final decisions kept those participating in a passive role; people were expecting to approve projects and assign resources at the meetings;
  - The process generated great expectations that were not fulfilled due to the lack of resources; at the end most participants were disappointed (García V. 1997);

- By receiving proposals from individuals or local organizations, the administration did not recognize the capacity of local organizations to aggregate interests, and their value as legitimate political players at the local level (Pedraza 2001; García V. 1997).
- More than an opportunity for aggregating interests, this first process was a contest among very specific projects; most of the decisions were adopted by a majority of votes due to the impossibility of reaching an agreement (Bonilla, Pulido, and CEAD 2002; Pedraza 2001);
- The diversity of proponents and proposals produced a 40 percent of dispersion in the local investment (Pedraza 2001, p.27; Zamudio Castañeda 1997). Most projects were too small and specific, lacking a broad view of the locality (García V. 1997); it has been mentioned that some local plans looked like shopping lists (Ardila Gómez 1997, p.69).

The process also has been criticized concerning the level of participation (quantity). Despite the fact that a large number of citizens participated, when considering the potential for participation, it was very low. In *Ciudad Bolívar*, only 50 percent of 283 neighborhoods participated in the process (Mosquera et al. 1997, p.262); according to a study from CORPOSUR,<sup>97</sup> 17 out of the 20 Local Technical Committees considered the level of participation to be low (Corposur 1996, p.18).

On November of 1995 the twenty development plans were completed; 6,000 projects out of 13,174 were approved for a total local investment budget of \$224,511 million pesos (Fundación Corona and Procomún 1997, p.21). Between March and April of 1996, the Mockus administration held new participatory meetings, *Concejos Locales de Gobierno*, to present the final local plans and to promote the idea of citizens watching the implementation of the local plans. After a year of implementation, at the end of 1996, an evaluation conducted by CORPOSUR revealed that the lack of communication between central and local authorities and organizations produced duplication of projects, conflicting programs and ineffective use of resources (Corposur 1997).

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<sup>97</sup> Corporación Servicios Urbanos de Desarrollo, a NGO supporting decentralization in Bogotá.

In 1997, a new program aimed at improving the coordination between central and local authorities, and the impact of the local investments,<sup>98</sup> was introduced by the administration, *Aprender a sumar* (learning to aggregate). Each locality had to define a local axis project that required the articulation of resources from the central administration, in order to do so, the proposal had to be presented to the appropriate central authorities, which had to identify projects that coincided with theirs in order to commit available resources. Later, in public meetings called *Consejos de Gobierno Local* (local government councils), local and central institutions had to state which actions they were in charge of, and the amount of resources committed, finally, a manager for the project had to be elected (Velásquez Gavilanes 2003; Ardila Gómez 1997).

The program improved coordination among local and central authorities; an average of 10 central institutions participated in each local axis project and about \$6,490 million pesos were invested in each project. Thirteen out of twenty localities were able to present aggregative projects; some of them integrated more than one locality, such as the project “*Río Fucha, un sendero de Vida*” (River Fucha, a Path to Life), which integrated three localities, *Puente Aranda*, *Antonio Nariño*, and *Kennedy* and ten central institutions (Velásquez Gavilanes 2003; Ardila Gómez 1997; Rojas 2002).

The process of aggregating local and central authorities also helped central institutions, used to thinking and planning the city’s administration as an entirety, acknowledged the existence and importance of the sub-localities. Likewise, communities and local authorities had to fit their proposals into the city development plan of the Mockus’ administration, learning to work together and to combine their local visions with the macro vision.

Regarding failures of the process, it is claimed that most projects reflecting local priorities were sacrificed in the aim of promoting macro projects. In addition, local authorities and leaders claimed that their counterparts in central institutions were not easy to access; that changes in the availability of resources resulted in cuts in local projects; and that instability in the heads of central institutions affected the implementation of both macro and micro projects at the local level (Velásquez Gavilanes 2003; Pedraza 2001).

In 1997, a second round of “*Consejos de Gobierno*” was planned for the local and central authorities to present their progress to the citizens. In these meetings, a complementary tool was

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<sup>98</sup> The central administration considered that the dispersion of local resources in small projects limited their possible impact; therefore, it aimed at promoting macro projects instead.

used, the “two way telegrams”, in which communities could ask questions to the central and local representatives. Undoubtedly providing direct access to public information was important and helped in reinforcing the government’s legitimacy; nevertheless, in real terms did not provide any course of action for the questions raise by the communities. Finally, the level of participation was less than expected, the average number of people was 451 per locality; among civic organizations, the *Juntas de Acción Comunal* (JAC), with 30 percent of participation, were the most participatory (Pedraza 2001, p.18).

What the process of participatory planning and follow-up did not do, was to recognize and honor the local authorities, *ediles*, and local mayors. First, because, as mentioned before, Mayor Mockus was unclear about the importance of local authorities, and second, because he considered the *ediles* as part of the politicians that he was trying to avoid. Mayor Mockus dismissal of anything that resembles what he perceived as old politicians not only complicated his relations with the JAL and the local Mayors, but also affected the relations within the JAL and among local authorities.

Susana Schuster,<sup>99</sup> a local *edil* elected under Antanas Mockus’ movement with the guarantee of the MIC,<sup>100</sup> illustrated the aforementioned statement,

*Some of the other ediles mistreated me because I was part of Antana’ Mockus movement, and we were intervening the political life of Bogotá without belonging to the traditional parties. This made my experience as edil very difficult at the beginning; I had no previous political experience and I did not know nor understand the rules of the game. I was forced into the opposition as the majority formed a coalition in which I was not included. Yet, I regard this experience as very valuable, I learned a lot and I felt that my perspective added value to the political practice of the JAL.*

In regards to the local mayors, the attitude of Mayor Mockus was not really confrontational but distant, during the interview Paul Bromberg<sup>101</sup>, who replaced Mayor Mockus in the last months of his administration mentioned. “*On the day of my possession in lieu of Antanas Mockus, a local mayor approached me and said, let me salute the local Mayor for the first time in this administration.*”

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<sup>99</sup> Susana Shulster is an anthropologist that has been edil of Teusaquillo during three administrations.

<sup>100</sup> Movimiento Indígena Colombiano (Colombian indigenous movement).

<sup>101</sup> Mayor of Bogotá in lieu of Antanas Mockus in 1997, *edil* of Teusaquillo, university professor and researcher, he promoted the creation of univerciudad.

Raul Lazala, local mayor of Kennedy for two years under the Mockus administration said,

*Local mayors had to prepare and host the local meetings in which Mayor Mockus and his central cabinet presented the administration's advancements and heard the citizens. Certainly, the local administration had to present its results too, yet the hierarchy was clear and ratified in the management of these meetings. People wanted to be there because the Mayor or someone from his government was to be there, not to talk with the local mayor or the ediles.*

Decentralization was not a priority for this government; in fact, until 1997, the office of decentralization was located in the office of the undersecretary of health,<sup>102</sup> in the government's secretariat. The office's main function was to support the process of deconcentration of health services, an initiative started by Juan Martín Caicedo, when he was mayor of the city. The local mayors were functionaries reporting to that office. The relation between the Mayor and the local mayors was but a reflection of the role attributed to the latter; according to Raúl Lazala, *the relation between local mayors and Mayor Mockus was practically inexistent; it was more of a relationship with the government's secretariat.*

The restructuring of the Government's Secretariat was the most important institutional change promoted by this administration in regards to decentralization. It was the result of the acknowledgment from the Mockus' Administration of the increasing importance of localities as political arenas, and the need to enhance this level of governance. Results from a study done by the city in 1995, to the Interdisciplinary Center of Regional Studies-CIDER, at the Andes University, supported the restructuring; the consultants recommended, among other things, the concentration of local affairs under the secretary of government. The *Fundación Corona*,<sup>103</sup> also contributed to the discussion by presenting the results of an analytical study of local government structure and functionality, which included recommendations to the central government aligned with the findings from the CIDER (see, Asesoría y Gestión 1997).

The restructuring of the general secretariat included the creation of a new post, the undersecretary for local affairs, the centralization of all personnel working at the localities in the secretariat, the addition of more personnel to support the localities; and the redesign of the local government structure. In regards to the local structure of government, four units were created to support the local mayor: the unit for projects implementation and control, the unit of

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<sup>102</sup> Mayor Mockus included the creation of this office in Decree 812 of December 30 of 1996.

<sup>103</sup> A private foundation that supports development in the country; it started working on public policy at the local level in the 1990s; visit: <http://www.fundacioncorona.org.co>

administrative and technical support, the unit of planning and information, and the unit of police and local justice. In addition, an office for receiving complaints and promoting participation was created.

Decree 1173 of December 15 of 1997 established the Direction of Local Affairs, dependent on the undersecretary of government; nevertheless, the main function of the new direction continued to be supporting the process of deconcentration of health services in the city.<sup>104</sup> After defining the new structure, manuals defining each post's functions and organizational procedures were produced, and 337 new post were created in order to enhance the local government capacity, which had to be filled through public competition (Velásquez Gavilanes 2003; Ardila Gómez 1997). However, the reform was never implemented. By the time it was written and ready to go, internal conflicts delayed needed decisions, and a new set of elections caught the attention of citizens and functionaries, including the mayor.

On March 2 of 1997, Mayor Mockus announced his resignation in order to run in the 1998 presidential elections. For a substitute, he presented three candidates to the consideration of President Samper, who chose Mockus' preferred candidate, Paul Bromberg, a physicist and head of *Cultura Ciudadana*, the star program of the administration.

On April of 1997, Mayor Mockus left office and Paul Bromberg became the mayor. The change in the head of government affected the internal balance of the administration; conflicts with consultants and between units arose, deeply affecting the efficiency of the last months of this administration (Florez 1997). On the other had, citizens expressed great disappointment for the "abandonment" of Mayor Mockus. In fact, in order to increase his chances of winning, when he ran in the mayoral elections of 2001, he had to ask for public forgiveness by joining the many *Bogotanos* that climb *Moserrate*, a mountain with a church at the top, in repentance for their sins and/or in search of a miracle.

More than the Mockus-Bromberg administration, Mayor Mockus is remembered as a promoter of change and has been internationally recognized as an innovator; the UN Development Program (UNDP) and US Agency for International Development (USAID) are using his *Cultura Ciudadana*, or culture of citizenship, as a model to fight crime in a few countries around the region. Undoubtedly, the city, overall, had important improvements during

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<sup>104</sup> Decree 1173 of December 15 of 1997, was signed by Mayor Paul Bromberg, who became mayor on April of 1997 after Mockus resigned to run in the presidential elections of 1998.

this administration; it is common to hear that, *Bogota has been transformed by Mockus's combination of street-level politics--he has expanded the city's public parks, launched a modern bus system, and built schools in the city's poorest districts—and symbolic acts (Schapiro 2001).*

Nevertheless, when evaluating the impact of this administration in the political life of the city, a critique that, from my point of view, deserves more attention, is the pedagogic approach of Mayor Mockus. The question posed is how good this approach is for governing a city, as opposed to a university. It has been claimed that the analogy of the city as a school creates an asymmetry between those playing as educators and those being educated; there is someone that knows what is best for the city and its citizens (Gutiérrez Sanín 1998, pp.50-54). In addition, this approach permitted the introduction of the state in a space previously considered as private; *Cultura Ciudadana* assumed the need of educating citizens about citizenship and regulating their behavior (Pedraza 2001, p.6). For F. Zambrano, *this approach produced a backward movement in the political life of the city, as people were seen in need of being taught what to do, how and when.*

Finally, although this administration was clearly committed to the promotion of participation, it was not open to dialogue when people used other traditional forms of political participation. One hundred seventy-eight protests of different type, such as strikes, marches, and occupations, occurred during this administration; 43 in 1995, 73 in 1996 and 62 in 1997. Mayor Mockus stated early that he would not confer under pressure (Pedraza 2001, pp.34-35).

On October 26 of 1997, a new mayor was elected, Enrique Peñalosa. One of his first suggestions to Mayor Bromberg was not to push forward the local reform. As the reform lacked internal consensus, the process of hiring the very much-needed personnel for the localities was stopped. At the end of the Mockus-Bromberg administration, local governments were still without the minimum conditions for functioning appropriately, including a lack of personnel, technical capacity, and coordination with the central government. Nevertheless, compared with 1995, it is certain that local governments did improve their organization and performance, yet not enough to support a consistent process of decentralization (Velásquez Gavilanes 2003; Florez 1997; Ardila Gómez 1997).



## 7.5 POLITICS OF ADAPTATION, 1997-2000

The third and last administration under review governed the city from 1998 to 2000. This was a quite interesting time for the country and the city, it was the closing of the millennium and uncertainty plagued the country. The economy was in crisis, the internal conflict had worsened, and political life was in turmoil due to the very unstable presidency of Ernesto Samper, who was accused of financing his 1994 presidential campaign with money from drug cartels. The low credibility of the political parties worsened a lot during Samper's government, causing great polarization inside the political classes and the country (Bejarano and Dávila L. 1998).

On the other hand, in Bogotá, after the debated but mostly respected administration of Antanas Mockus, his renouncement of the mayor's office to run in the 1998 presidential campaign, affected the credibility of emerging political forces. All these facts affected the local electoral process on October 26 of 1997, when *Bogotanos* elected a new City Council, a new Mayor, and the third generation of *JALs*.

Traditional parties were discredited enough to create a void in the contest and the result was a proliferation of non-party electoral lists, which does not necessarily mean the emergence or consolidation of new political forces. In fact, what marked these elections was adaptation. Candidates and movements affiliated with traditional parties, particularly the liberal party, opted for participating under generic names or acronyms; creating a proliferation of electoral lists representing all kind of interests (Boudon 2000).

Interestingly enough, the 1997 election of local authorities in the country and in Bogotá was the most participatory of the 1990s. There are several reasons that help to understand this apparent contradiction; maybe the most important that the 1997 elections included a vote for peace. The "*papeleta verde*" (green vote) increased participation in these elections; more than 10 million people voted YES for peace and expressed their rejection of the increasingly bloody internal conflict. In addition, the registrars' office offered diverse incentives to promote participation, such as discounts in school fees, and preferred access to credit.

On 1997, the number of seats in the city council increased to 40 in accordance with Article 9<sup>th</sup> of the EOB, which established that there would be a councilor for each 150,000 inhabitants or fraction over 75,000. This is probably the main cause for the rise in the number of electoral lists

registered for the City Council in Bogotá. The number of parties rose from 152 in 1994 to 260 in 1997, representing an increase of close to 200 percent, and illustrating the fragmentation of interests.

From the 1,274,831 votes deposited, only 45 percent elected a City Council representative, which means that more than 60 percent of citizens were not be represented on the new council (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001, pp.200-208). In fact, the electoral quotient<sup>105</sup> established by the registrars office was met only by one candidate, the remaining 39 councilors were elected by residual, ranging from 24,737 to 7,416 votes (Botero Restrepo 1998, p.150). The Liberal party obtained 19 seats, the Conservative 12, others and Christians 3, coalitions 2, and the left 1. The emerging political forces that appeared to be more effective were the Christians, which elected half of the electoral lists they registered, and the coalitions (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001, pp.200-208). Once more non-political players seemed to gain territory, although, as mentioned before, the label coalitions could be use to disguise old contenders as new (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001, p.229).

Bipartisanship continued to dominate the council, but it continued to lose relative power in the city, from 70.61 percent in 1994 to 60.75 in 1997. In fact, non-bipartisan candidates occupied 25 percent of the seats, and the three candidates with the most votes<sup>106</sup> were independents. Nevertheless, the Council Representative elected with more votes did not get the presidency, which was always the case; the presidency was obtained by a conservative candidate with a liberal vice-president (Bejarano and Dávila L. 1998, p.152). In addition, the political movement of the newly elected mayor did not succeed in guarantying the majority in the council, which, as will be shown later, influenced the relationship between the Mayor and the Council and the capacity of the central government to fulfill its goals. One may say that, once more, the desire for change was reflected in the elections; and the resistance to it, in the reorganization of power within the council. The third election of local boards (JALs), which is the subject of next subsection, exhibited a similar pattern.

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<sup>105</sup> Electoral quotient: results of dividing the number of votes for the available seats; ideally the same number of voters should elect each member.

<sup>106</sup> Patricia Cárdenas, Bruno Díaz, and Hipólito Moreno.

### 7.5.1 The third generation of *Ediles*. *A La Tercera va la Vencida*

The third election of *ediles*, on October 26 of 1997, was important as they represented a test of the consolidation of the local political arena. Significantly, for the first time the votes for *ediles* surmounted the votes for the City Council; it is also the first time that coalitions between City Council's candidates and candidates for the JAL were created. These coalitions provided evidence for the emergence of local political networks capable of electing their candidates in both the council and the JAL. The tendency to dispersion, represented by the number of electoral lists and parties, continued growing in 1997.

The linkage of the local offer to the council's candidates, and the increment in the number of electoral lists for JAL, are the most likely reasons for explaining the increase in the level of participation in the 1997 local elections; 50.26 percent, which represents an increase of 73.09 percent in relation to 1994 (García Sánchez 2003, p.72). For the first time, the level of abstentions, 49.66 percent, was lower than the level of participation. In the 1997 local election, the tendency for all parties was to increase the numbers of electoral list, with the exception of the ANAPO; the two traditional parties registered almost triple the number of electoral lists than all other parties. Table 41 presents the number of electoral lists by political affiliation for 1997 compared with 1992 and 1994.

**Table 41: Number of electoral lists by Political Affiliation, JAL 1992 to 1997**

Political Affiliation	Year		
	1992	1994	1997
Liberales	452	932	1336
Conservadores	203	363	430
Otros	267	89	254
Cívicos	230	47	125
Izquierda	66	48	52
Cristianos	77	40	82
Anapo	0	20	14
Coaliciones	4	0	32
Indigenas	3	26	50
Metapolíticos	17	14	18
<b>Total</b>	<b>1319</b>	<b>1579</b>	<b>2393</b>

Source: data from ILCG (García Sánchez 2003, p.72)

This third generation of *ediles* included many *ediles* of the second generation, as 72 of them were reelected, 11 more than in the 1994 elections, representing 39.13 percent of the available seats (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b, p.148). In addition, due to the number of electoral lists, none of the *ediles* reached the electoral quotient, and all of them were elected by residuals, which illustrates the level of dispersion of the votes and lack of effectiveness. In fact, the level of effectiveness decreased for all parties, except the Christians and the Coalitions, which, as mentioned before, were important players in these elections, as presented by table 42.

**Table 42: Effectiveness in Local Elections, 1997**

Party	Lists	Seats	Effectiveness
Liberals	1336	85	6.36
Conservatives	430	40	9.30
Others	254	35	13.78
Civic Movements	125	12	9.60
Left	52	5	9.62
Christians	82	5	6.10
Anapo	14	0	0.00
Coalitions	32	2	6.25
Indigenous	50	0	0.00
Metapolitics	18	0	0.00
<b>Total</b>	<b>2393</b>	<b>184</b>	

Source: ILCG, V.2, pp.146-147

Red: Reduction      Blue: Increment      Black: steadiness

The increase in effectiveness of the coalitions, as mentioned before, has a lot to do with the emergence and consolidation of locally oriented political forces. An example of this trend is the *Partido Popular Colombiano-PPC*, a new party constituted of small local networks, which participated for the first time in the Council and JAL elections in 1997. The motto of the party was “we are small, but together we are big;” the PPC obtained 16,538 votes in the Council, representing the third largest political force, and 24,776 votes in the JAL, electing two *ediles*. It is too early to know the future of Coalitions but they are an interesting political phenomenon, as they may be key to aggregating local interests.

There are two lines of argumentation about what happened in the election of the third generation of JALs. One asserts that these elections confirmed the increasing fragmentation of the political parties (see, Gutiérrez Sanín 2001; Boudon 2000). Only 7.68 percent from the total electoral lists registered elected an *edil* in 1997, which means that around 85 percent of the ballots were pointless (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b, p.142). The other asserts that the number of electoral list registered reflected the increasing importance of the JALs as political players at the local level, and the increasing interest in becoming an *edil* (see, García Sánchez 2003).

Certainly, this generation of *ediles* was hoping to have more control over the management of the localities. The local budget for this administration was the largest so far, and they had certain accumulation of knowledge regarding how to design and negotiate local projects and how to deal with the central government. Nevertheless, the new mayor, Enrique Peñalosa, was determined to change the rules of the game in order to put order in Bogotá.

### **7.5.2 Electing a mayor in 1997, further into politics of adaptation**

The 1997 Mayoral election is interpreted either as the point in which the crisis of the political parties reached the bottom, or as the point in which important changes in the political system reached equilibrium. Despite the rule that those candidates without certain minimum amount of votes had to return the money received in support of their campaign, 15 candidatures were registered this year, the highest number since the introduction of popular elections in 1986. The increase in the number of candidates reflects to a great extent the effect that the 1994 elections had on the city. The fact that an independent candidate had mobilized enough educated voters to win the mayorship, which had “always” been liberal or conservative, attracted a lot of “independents” to the 1997 contest. Independency meaning not tied to either the two traditional parties or discredited new parties. Eleven out of 15 candidates opted for labeling themselves as independent.

The Liberal party, in deep crisis due in part to the presidency of Ernesto Samper, was unable to reach an agreement for supporting a single candidate; therefore, seven liberal candidates took part in the elections, six of them under wide political denominations, and one as the official candidate of the party. Some were backed up by existing political forces, others created their

own “independent” movements. The Conservative party represented by a weak candidate within and outside the party had no choice of winning or even having a significant participation.

Of the “independent” candidates, Carlos Moreno de Caro, who participated in the 1994 elections as the Conservative party candidate, ran under his own movement, *Defensa Ciudadana* (Citizens’ Defense). *Defensa Ciudadana* was far from the conservative thesis and closer to populism, and soon became a favorite. To do so, he took advantage of the liberal divide and the conservative weakness and used his long lasting local networks. In a survey from August 4 of 1997, conducted by the magazine *Semana*, he led the list of candidates.

The liberal press, particularly *El Tiempo* and *Semana*, deeply concerned about the advancement of Moreno de Caro, started supporting the candidacy of Enrique Peñalosa, who was the liberal candidate for the 1992 and 1994 elections, and was running again in 1997 under his own “independent” movement, *Por la Bogotá que Queremos* (For the Bogotá We Want). For the liberal press, he was the only candidate capable of stopping Moreno de Caro, which they considered non reliable (Botero Restrepo 1998, p.145).

Soon, the contest between these candidates appeared as a class struggle between the rich and the poor, Peñalosa being the candidate of the elites, and Moreno de Caro the candidate of the poor (Botero Restrepo 1998; Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b). Despite the veracity of this claim, it split the electorate, who practically disregarded any other candidate, as illustrated by the electoral results of October 26, 1997.

On October 26 of 1997, the citizens, motivated by the polarization between Peñalosa and Moreno de Caro, the variety of candidates, and the incentives offered for voting, vastly responded; 1,318,661 votes were deposited, representing 42.73 percent of potential voters. In the localities, the participation was higher, 52.14 percent. Enrique Peñalosa won the elections with 619,086 votes, which made him the most widely voted mayor in Bogotá in the twentieth century. Moreno de Caro was second with 397,147 votes, a higher number of votes than those with which both Andrés Pastrana and Jaime Castro were elected (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b, pp.85-89).

For the first time, the local arena was highly significant for the electoral results; in fact, Enrique Peñalosa was the first elected mayor to lose in six localities out of 19.<sup>107</sup> When examining localities by social strata it is clear that Peñalosa was elected by the middle class,

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<sup>107</sup> In 1997, the elections in the locality of *Sumapaz* were cancelled due to security reasons.

strata 3 and 4, and preferred by the upper class, strata 5 and 6; as for Moreno de Caro, he was preferred by the lower class, strata 1 and 2 (Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001b, pp.90-91).

This election confirmed the lack of political capacity of the two traditional parties and the importance, as in the council's elections, of the localities as political arenas. However, it is unclear if there is a real political alternative to the traditional parties, or if, as mentioned by Boudon regarding the country, every other party or movement is only the expression of personal ambitions (2000, p.51); if so, politics in Bogotá, as in the country, have become more personalized than ever.

### 7.5.3 The “urbanization” of the city

Enrique Peñalosa assumed the mayorship of Bogotá on January 1 of 1998; his managerial style, his ideas about urban development, and his political background marked his administration performance; he accomplished most of his goals, with minimum negotiation. He ambitioned to change the shape of the city, to urbanize it, to create some order;<sup>108</sup> and, he knew that in order to do so, he would have to, whether he like it or not, amicably deal with the Council; and so he did. The City Council approved his development plan by agreement 6 on May 30 of 1998.

Peñalosa was convinced that, in order to flourish, civic culture required a physical infrastructure, a space in which citizens felt equal, and, so he emphasized habitat, understood as the the physical space, over civitas, understood as the social and political space. Nevertheless, it is clear that the recovery and transformation of the public space was, and is, a political practice.<sup>109</sup>

Consistently, his development plan, *Por la Bogotá que queremos*, established a relation between the spatial reorganization of the city and the formation of a new citizen. The main objective of the plan was *to generate a profound change in the way of life of citizens, returning the Bogotanos' confidence in their capacity to build a better future and to uphold economic,*

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<sup>108</sup> A very emphatic statement in his interview for this study, on November 4 of 2003.

<sup>109</sup> For more about the process of recovering public space in Bogotá, see Michael G. Donovan, “Space Wars in Bogotá: The Recovery of Public Space and its Impact on Street Vendors”, MIT (Donovan 2002).

*cultural and economic progress. It is to project and make viable a Bogotá for the new era, working to better the quality of life of present and future generations* (Peñalosa Londoño 1998).

Based on this aim, the following seven priorities were defined:

- *Desmarginalización* (demarginalization): to improve the quality of life in Bogotá's neighborhoods by improving infrastructure and service provision; the strategy for this priority included the involvement of the state, the private sector and the community
- *Interacción Social* (social interaction): to better the coverage, quality and quantity, of social services
- *Ciudad a Escala Humana* (a city in human scale): to increase the quality and quantity of public space
- *Movilidad* (mobility): to establish an efficient and proper transportation system in the city, reducing commute time and providing comfort to the users
- *Urbanismo y Servicios* (urbanism and services): to organize the city's growth, providing dignified housing solutions in friendly environments
- *Seguridad y Convivencia* (safety and living together): to prevent and sanction unsociable behaviors; promoting behaviors that enhance peace, solidarity, respect, and community life
- *Eficiencia Institucional* (institutional efficiency): to establish public management committed to promote efficient actions and respect to citizens

From these priorities, five mega-projects were to be implemented: building an integrated massive transportation system; building and maintenance of streets and roads; creation of the land bank; creation of the district parks system; and creation of the district libraries system.

After a very traditional negotiation with the City Council, it is said that he adjudicated his public post in exchange for votes supporting his main projects (Velásquez Gavilanes 2003, p.220), his development plan was approved by agreement 6 of May 30 of 1998. This may be not significant for a politician that was willing to concede certain things if they granted his main goals; during his administration denouncements were made regarding favoritism in adjudicating public contracts.

Despite the veracity of the aforementioned claims, what is undisputed is that Mayor Pañalosa successfully implemented all his mega-projects. He created a successful Urban Land Reform



institution; a successful bus-based transit system, *Transmilenio*; he lead the creation of a large park, *Tercer Milenio*; and he built a network of three large new libraries and several smaller ones. He also built hundreds of kilometers of sidewalks, more than 300 kilometers of bicycle paths, pedestrian streets, and more than 1,200 parks were built or reconstructed. In addition, he promoted the adoption of a car free day, for which Bogotá received the Stockholm Challenge Award.

Due to his success in transforming the public space, at least physically, and in other areas of his administration, he is recognized as a skilled manager, but also remembered as a vertical and inaccessible mayor (Pizano 2003, p.57). Often he has been called “The Pharaoh”, not only because of the dimensions of his public works but also for the method by which they were built.<sup>110</sup> Peñalosa’s vertical approach to management is clearly reflected in his approach to decentralization and his relationship with local authorities.

On January 8 of 1998, a week after assuming office, he presented Decree 22, by which he suspended the capacity to contract previously conferred to the local mayors. He claimed that regulations regarding local contracts needed to be modified in order to fight corruption and clientelism; two ills affecting local practices. On February 10 of 1998, he introduced Decree 176, by which he transferred almost all responsibilities for establishing contracts with money from the local development funds to central authorities, under his direct supervision.

In addition, he created the *Unidades de Ejecución Local-UEL*, local investment units, within central organizations, for supporting the selection and implementation of local contracts. The central organizations supported by UEL were the health, education, and government secretariats; the communal action, environment, and social welfare departments; the urban development, culture and tourism, and sports and recreation institutes; and the water and sewage company (Bonilla, Pulido, and CEAD 2002, p.53).

Peñalosa’s arguments for creating the UEL were that,

*Local boards lacked the required technical knowledge for making the right decisions in investment, and were using their investment capacity to grow their own clienteles and pockets. Inefficiency and corruption were very high and resources were wasted. The creation of the UEL aimed at providing the technical expertise needed to be efficient and*

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<sup>110</sup> Several interviewees, among them, F. Zambrano and Hernán Suárez, mentioned this fact. All coincided with City Councilor Jaime Durán Silva, which named Peñalosa’s city works pharaonic. See also this Liberal party note, <http://www.ipliberal.org/modules.php?name=News&file=article&sid=685>

*to prevent the private use of public resources. In addition, he argued that the local mayors were using too much time in processing contracts; by creating the UEL, local mayors would be freed to concentrate on their more important functions.*<sup>111</sup>

Raúl Lazala, local mayor of Kennedy under the Mockus administration, mentioned that,

*The UEL improved the technical component of the local investment, as it improved the quality of the projects; yet it has two negative impacts, they made the approval and implementation of local projects more bureaucratic and complicated, and they recentralized important local decisions, debilitating the autonomy of the localities. It limited the access of local groups to local resources.*

In regards to the impact of creating the UEL on the process of decentralization, and in rebuttal of Peñalosa's arguments, Angela María Robledo mentioned,

*If people in the locality are called to participate in the whole process as adults, why are they not treated as such when the time come for signing contracts. The lack of trust spoils the whole ideal of participation.*

Maria del Rosario Bonilla<sup>112</sup> considers the creation of the local investment units as regressive in terms of participation, "because it took the power with which local authorities were invested back to the center and by doing so their credibility as valid representatives of the government." All the ediles interviewed concurred that, even though it was true that they were problems of corruption, we do not believe that recentralizing the management of the investment was a solution. The UEL created delays, problems in transparency, and increased the costs of contracts. It would be better to create local UELs independent from the local mayors.

Evaluations regarding the UEL's impact showed that the quality of local projects improved; the coordination between central and local authorities, and the inclusion of other key players, such as the private sector, also improved. In addition, the opportunities for corruption at the local level, as the JAL and the local mayor did not participate in the adjudication of local contracts, were reduced. On the other hand, the UEL's implementation had also negative impacts.

For one, the process of adjudication got more complicated and thus required more time from local mayors, producing the opposite of the desired impact. Local mayors were in charge of selecting projects, gathering all technical and legal information required for signing the contract, sending the projects to the UEL for its review, then, if needed, amending and returning them to

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<sup>111</sup> Interviewed on Nov.4, 2003.

<sup>112</sup> Consultant for local development and ex-director of the Bogotá unit at the Escuela Superior de Administración Pública- ESAP, the public management graduate school in the country.

the UEL, to start the process of adjudicating the contract. The implementation of the UEL also created a delay in the allocation of local budgets and therefore in the implementation of local projects; in 1998 only 18 percent of the budget was allocated on time (Velásquez Gavilanes 2003, pp.207-209).

In regards to corruption, evaluations conducted by the *Contraloría Distrital*, the fiscal watch authority in the city, documented cases of administrative malpractice from the UEL, such as the adjudication of a contract for maintaining a non-existent road, the payment for contracts that were not executed, or the adjudication of contracts for values well above market price. The political and fiscal watch authorities also claimed that to control and watch the use of resources and the implementation of projects became more complicated, as they had to request and follow up on information from both the local and the central level (see, Contraloría de Santafé de Bogotá 2000, 2000a, 2000b).

The creation of the UEL certainly improved the technical aspects of local projects but undoubtedly undermined the embryonic local political arena and the process of decentralization. Local authorities were dispossessed of their value as intermediaries between their constituencies and the central government. In consequence, the communities' interest in participating in local affairs declined.

Consistent with his perception of the role and value of local authorities, Mayor Peñalosa had a very distant relation with them. Carlos Carreño, *edil* from the locality of *Santafé*, mentioned,

*We were able to meet with the mayor only on two occasions during the three years of his government; the first one was a meeting promoted by the administration, the second a forced meeting promoted by the ediles. It was not a good relationship, because the government's declarations undermined the reputation of the ediles, and because the government was not open to dialogue. The central government claimed that ediles should not have a salary, that, they should meet less frequently, and so on. Mayor Peñalosa had a model of the city to implement and he was not open to discuss it.*

Due to the position assumed by the Mayor, the 184 *ediles* in Bogotá conducted a sit-in in the *Palacio Liévano*, the mayoral headquarters, forcing the Mayor to speak with them. Although Peñalosa met with them, according to Carlos Carreño, his posture never changed. *The Mayor never trusted us, the Ediles, and the relation was of confrontation throughout his administration.* The characteristics of the relation between the center and the localities deeply affected the second participatory planning process.

Mayor Peñalosa introduced two decrees for regulating the second process of participatory planning, Decree 739 on August 28 of 1998, and Decree 518 on August 5 of 1999. Decree 739 attributed the creation of local development plans to local mayors, excluding the JAL from it. It also established the *Encuentros Ciudadanos*, public meetings to discuss and rate local projects, and to discuss local matters; and, this time, the communities were called to participating in evaluating the projects' implementation and results (Flórez 2003).

Decree 518 was introduced a year after, aimed at improving and expediting the process of local planning. In order to do so, the participation of local authorities in the projects' approval was reduced, attributing the whole responsibility to the UEL, which were to present alternative projects when those presented by the local authorities were judged as unfeasible. This decree also reduced the capacity of local communities to participate in the final selection of local projects and budget allocation (see decree 518, 1999).

Between June and December of 1998, for the second time, localities engaged in creating their local development plans, and continued preparing the local investment projects until October of 1999. In 1998, the local mayor prepared a draft of the development plan that included a vision of the locality and presented it to the citizens in pre-encounter meetings.

Once all the projects were registered in the local project's bank, they were selected and ranked in the *Encuentros Ciudadanos*. On this occasion, *Ediles*, and citizens participated under the same conditions; they could present and discuss projects to be included in the local development plan. The contradictions in the legislation regulating local affairs complicated the process of local planning, and produced confrontations between the communities and local organizations. Mayor Peñalosa, arguing the need for avoiding traditional political practices and not trusting the *ediles*, by Decree 739 of 1998, excluded them from deciding budget allocations, although they were entitled to do so by the Constitution and the EOB.

In addition, the level of work required for presenting a project was higher and because of that, the expectations were higher too; those participating were discouraged when they learned that the UELs were in charge of the final decisions, and that they could present alternative projects to those presented by local players (Flórez 2003). Even more so, Decree 518 terminated the local commissions that were created in 1998 to include the communities in the reviewing of the projects. It is important to recognize that the local commissions were not working as

expected and that their responsibilities were increasingly assumed by the local mayor in order to fulfill the established deadlines.

As presented by table 43, there is a significant change in the number of people participating and in the number of projects presented between the first and the second process of participatory planning.

**Table 43: People participating, number of projects and relative number of projects, 1998**

Locality		Enrique Peñalosa		
		Population 1997	# of projects	# Projects/1000 people
1	Usaquén	341,909	85	0.25
2	Chapinero	402,542	33	0.08
3	Santafé	162,122	114	0.70
4	San Cristóbal	135,708	107	0.79
5	Usme	377,639	151	0.40
6	Tunjuelito	208,483	45	0.22
7	Bosa	199,156	59	0.30
8	Kennedy	792,31	100	0.13
9	Fontibón	538,77	87	0.16
10	Engativa	220,606	108	0.49
11	Suba	152,985	59	0.39
12	B.Unidos	119,24	39	0.33
13	Teusaquillo	149,296	48	0.32
14	Martires	356,043	264	0.74
15	Antonio Nariño	26,929	50	1.86
16	Pte.Aranda	303,266	63	0.21
17	Candelaria	249,909	179	0.72
18	Rafael U.U.	406,82	204	0.50
19	Ciudad Bolívar	622,24	134	0.22
20	Sumapaz		92	
<b>Totales</b>		<b>5,765,973</b>	<b>2.021</b>	<b>0.46</b>

Source: *Diez años de Participación en Bogotá* (Pedraza 2001, p.8).

Finally, it is interesting to notice that, in concurrence with Mayor Peñalosa's preferences, 61 percent of the local projects presented in 1998 were of material infrastructure, such as building and remodeling parks, communal rooms, sports facilities, local streets and roads, libraries,

community centers, and women's centers. Many of these projects, after being elaborated by the communities, were rejected by the UEL because they were not the responsibility of the localities (Pedraza 2001).

An evaluation of the second participatory planning process conducted by PARCOMUN, a Colombian NGO specialized in communitarian participation, showed that on this occasion the technical requisites, above all, limited the participation of more people in the process. The relevance given to improving the technical quality of the projects diminished the importance of the social and political aspects of it.

According to the report, because of the way this process was conducted, the particular expertise and knowledge of the people and organizations participating were not recognized; instead, it aims to replace them with public administrators with deep knowledge of the public maze, public lawyers, engineers, architects, urban designers, sociologists, project designers, or economists, as needed (PARCOMUN 1999, p.18). In addition, those participating had to have enough time and resources to spare as the process demanded a long time commitment, which in fact was one of the main obstacles to participation.

Other evaluations of this process<sup>113</sup> suggested that the following factors added difficulty to it:

- The high number of projects that had to be formulated hindered the aggregation of interests, and undermined the creation of a collective and comprehensive vision of the locality. In fact, other levels of planning prevailed, such as the neighborhood, street, or square;
- The lack of a clear definition of responsibilities among the main authorities involved, including the central government, central agencies, the UEL, and local authorities;
- The lack of inter-institutional coordination, due in part to the fact that the UEL and central agencies did not recognize local authorities as equal in the process; in consequence, the role assumed by the UEL and central agencies was of supervision rather than members of the same team;
- The lack of appropriate and well-timed information from the part of local authorities, which resulted in problems in the formulation and adequacy of projects;

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<sup>113</sup> See the research study conducted by PARCOMUN on participation, which reviewed and compared the first two processes of participatory planning (Pedraza 2001); or, the research conducted by Fabio Velásquez for the city of Bogotá on citizens' participation (Velásquez C. 2003); or the researcher study conducted by Raúl Velásquez G. on local policies and decentralization (Velásquez Gavilanes 2003).

- The lack of consistency between the formulation of the project and the qualification of its feasibility due to budgetary reasons; which resulted in the reformulation of most projects;
- The lack of capacity from the local office of planning for supporting the process, due to inexistence or high rotation of the local planning coordinators and lack of adequate resources, such as mandatory formats and photocopiers;
- The difference in budget allocations, 90 percent destined to central planning, while only 10 percent to local planning<sup>114</sup> deepened the social and political divides between local and central governments;
- Finally, it is said that the tension between civic participation and political representation deepened during this process. The “social power”, represented by the local planning councils, conflicted with the “political power”, represented by local mayor and *ediles* (Velásquez C. 2003, p.327).

Mayor Peñalosa sought to have a permanent participation of citizens in dealing with local public issues. In order to do so, he promoted periodic citizens’ encounters, *Encuentros Ciudadanos*; nevertheless, the demand on time and resources from those interested in participating created a filter, only those with enough time and resources would be able to participate. Moreover, even those participating more often, soon realized that their participation was appreciated but not significant enough to change the balance of power. The citizens’ encounters became more of a space for the UEL to justify their decisions (Pedraza 2001, pp.18-20).

On 1997, following the constitutional mandate to promote decentralization, Congress issued Law 388, which created territorial plans aimed at balancing economic development and the utilization and distribution of the land and natural resources. Thus, during Peñalosa’s administration, *Bogotanos* were called to participate in an additional collective project, the creation of the new territorial development plan (POT), which had to define the city’s urban development path for the next ten years, at a minimum. Article 24 of Law 388 mandated the inclusion of economic groups, professional associations, and citizens in the process of discussing and defining the POT; although the responsibility for consulting the constituents and creating a collective vision of the future city was on the Mayor.

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<sup>114</sup> It has been claimed that during Peñalosa’s administration, even this 10 percent was manipulated by the central government (Velásquez Gavilanes 2003).

In Bogotá, between 1998 and 1999, more than 305 meetings were conducted for discussing the POT. According to Decree 619 of 2000, by which the POT was sanctioned, 889 private and public institutions participated, three teleconferences were held, 44 press bulletins produced; the mayor city's newspapers published over 30 open invitations, three international seminars on urban territoriality were organized; pamphlets and itinerant expositions were created; and 500 surveys applied and interpreted (see Peñalosa 2000, p.2). It is said that it was the most costly planning project in the city's history, the city's planning office- DAPD, invested more than 3 million dollars in the preparation of the POT (Noriega 2000, p.125).

At the local level, Local Commissions of Planning were created to discuss and promote the POT. In the first phase, meetings were conducted for contributing to the creation of a diagnosis of the city; later, the proposed prescription were presented and discussed in the 20 localities. The concerns, opinions, and reactions of local citizens to the POT were collected in twenty-one documents that the DAPD reviewed and submitted to the city's Territorial Council.

An evaluation of the process concerning local participation conducted by the *Veeduría Distrital*, an advisory agency of the city that handles the citizen's participation in municipal affairs, showed that the following factors limited the impact of the level of participation:

- The information presented at the local meetings was too technical for the audiences;
- The participants reported that their suggestions were heard but not incorporated in the POT;
- Subjects that were important for the communities were avoided or excluded, which lead the participants to conclude that this was mostly a rhetorical exercise;
- The discussion was limited to the territorial future of the city, as if it were possible to think about the future without referring to social and political problems;
- There was no of mechanism for aggregating the results of the many meetings;
- An important contribution of the POT to the enhancement of the local level was the creation of Unidades de Planeación Zonal- UPZ, zonal planning units, aiming at creating units of planning bigger than the neighborhood and smaller than the locality, average, 60,000 inhabitants per UPZ (Escallón and Sudarsky 2001, p.143).

The discussion of the POT created a lot of political tension, as the particular vision of the city was tied to projects for as long as twenty years. As a result, the period for discussing and



approving the document in the city council expired, and the Mayor approved the POT by Decree 619 of July 28 of 2000.

In regards the enhancement of the local system of governance, is claimed that as mayor Peñalosa distrusted local governments (Rojas 2002, p.17); he did not strive to accomplish two goals that were included in the government plan for which he was elected,<sup>115</sup> *Bogotá 2,600 meters closer to the stars*. He did not created smaller localities, which he said he would, nor clearly redistributed functions between local and central authorities (Velásquez Gavilanes 2003; Pedraza 2001). Finally, a study concluded that localities were paid more attention in previous governments from the central administration, the media, and the academia (Velásquez Gavilanes 2003, pp. 214-219).

The people of Bogotá carried out 97 social protests during the first two years of Peñalosa's administration, most of them in the form of civic strikes organized by gremial organizations. The three primary causes for protesting were: deterioration of income (unemployment and employment stability), lack of communication and responsiveness from the city's government, and deterioration of basic needs (housing, health, education). It is mentioned that the government's priorities lacked the social and political consensus required to be legitimate (Pedraza 2001, pp.39-40).

On June of 2000, a new norm for regulating civic participation in the localities was introduced by the City Council, which used the faculties given to it by the New Constitution of 1991 to issue Agreement 134 of 2000. The aim was to institutionalize the local planning councils, to empower local citizens, and, once more, to establish a clear definition of functions; its appropriateness was debated because of certain conflicts with existing legislation and because it was "imposed" on the new mayor, who did not participate in the debate (Lizarazo Ortega 2001).

On September of 2000, the program *Bogotá Cómo Vamos*<sup>116</sup> and the *Universidad de los Andes* coordinated a forum for evaluating the achievements of Enrique Peñalosa's administration, and for identifying pending challenges for the incoming administration;

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<sup>115</sup> See, E. Peñalosa, Programa de gobierno para la elección de alcalde mayor de Bogotá, 1998-2000, Bogotá, Agosto de 1999, pp.23-24.

<sup>116</sup> A private initiative launched in 1998 aiming at promoting a more effective and transparent government, and better-informed, responsive and participative citizens. The main parties in this initiative are, *Fundación Corona*, a foundation from one of the main economic groups, *El Tiempo*, the most important newspaper in Colombia, and the *Cámara de Comercio de Bogotá*, Bogotá's merchant association.

decentralization was not one of the central themes. The evaluation showed that 66.46 percent of the goals stated by Peñalosa's administration were fulfilled, and recognized the advancements in education, health and security. It also showed that the areas lagging behind were decentralization and the reorganization of the central government (González G. 2000, pp.11-12).

Interestingly enough, when asked about the most important change in regards to decentralization, Enrique Peñalosa<sup>117</sup> responded, *the most important change that happened was the introduction of elections for mayors in the country; and in Bogotá, the exclusion of the City Councilors from the directive boards of the city's public companies. If I had heeded to be appointed by the president, I would have never been mayor of Bogotá.*

In regards to the decentralization reform within the city, Peñalosa claimed that,

*The creation of localities is a calamity promoted by the EOB; one cannot assert that decentralization within the city brings the state close to the citizen, when there are localities with more than one million inhabitants. I do believe that Bogotá should have localities with a maximum of 100,000 inhabitants; unfortunately, this is unfeasible because the ediles are paid and the city would not be able to afford the costs. Smaller localities with unpaid ediles might be useful. (...) I do not believe that decentralization has been significant within the city; 95 percent of citizens do not know the name of an edil. I believe it would be a disaster to elect the local mayors; that demagogy about democracy only works in words, in practice it would be a disaster.*

For Mayor Peñalosa the most important contribution of his administration was to produce *a total change in the city, a change in the level of discussion, in the shared vision of the city, in self-esteem; the people went from hating their city to be proud of it, to loving it.* The perception of *Bogotanos*, as reported in a study conducted on citizens' perception of Bogotá in the 1990s, was not aligned with Mayor Peñalosa's perception. The participants in the study perceived the material changes in the city as positive, despite their social repercussions, yet they also perceived deterioration in the social and economic conditions of the city. They expressed concern over the increase in violence, poverty, and unemployment (Pizano 2003, p.180).

In addition, his actions aimed at recovering the public space were deeply questioned, as mentioned by Frídoles Bayén,<sup>118</sup> *"The creation of big commercial malls, promoted by the Fondo de Ventas Populares, for relocating the street vendors has not been successful. Not everyone has access to funding or relocation."* In addition, Carlos Carreño, *edil* of *Santafé* under Peñalosa,

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<sup>117</sup> Interviewed on Nov. 4, 2003.

<sup>118</sup> Frídoles Bayén is an economist with a master in public administration who was in charge of the unit for especial projects at the mayor's office; interviewed on Nov 18, 2003.

mentioned, “*Mayor Peñalosa conducted the recovery of public space mostly through repressive measures and not by negotiations. Many of these actions were very aggressive*”.

On October 29 of 2000, the *Bogotanos* elected the first mayor of the New Millennium, Antanas Mockus, this time under the label *Partido Visionario*, visionary party, was re-elected with 681,017,000 votes, representing 43.72 percent of the total (Otálora Castañeda 2002, p.32). As mentioned before, Antanas Mockus climbed to the *Basílica de Monserrate*,<sup>119</sup> as any other pilgrim, asking *Bogotanos* to forgive him for departing the mayor’s office before the end of his term in 1998. The city he will govern again came into the new millennium with 6,484,967 inhabitants of which 3,190,170 were poor, and 959,238 indigent (Fundación Corona 2003, p.8). In addition, at the end of the year 2000 there were 343,155 *desplazados* living in Bogotá.

How did people involved in the process of decentralization perceive it? How do they evaluate the first three administrations in charge of implementing it? Is the process considered a success or not, and why? Answering these questions is the subject of the next section.

## **7.6 THE PROCESS OF DECENTRALIZATION. SUCCESS, FAILURE, OR BOTH?**

When asked about decentralization, practically all interviewees agreed on the relevance and pertinence of decentralization in Bogotá. Although there are important disagreements on the evaluation of the process, what prevails is the perception that decentralization is a frustrated project that still needs to be implemented. This perception appears to be the result of contradictions between the arguments used to promote decentralization and the expectations created by them, and the process and results of the implementation.

The following statement by G. Segovia Mora<sup>120</sup> illustrates the great expectations associated with decentralization in Bogotá.

*The process of decentralization and administrative and territorial reorganization of the capital, vigorously promoted by the New Constitution of 1991 and the New Organic Statute of the city, is undoubtedly the best instrument for bringing the administration close to the people, for*

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<sup>119</sup> A church at the top of *Monserrate*, a mountain considered an icon of *Bogotá* by visitors and locals.

<sup>120</sup> G. Segovia Mora is a lawyer and political scientist that has focused his work on studying violence in Bogotá. He was advisor on justice, human rights and community living, for the *Consejería para Asuntos Sociales y Participación Comunitaria*, an advisory unit for the mayor of Bogotá, from 1992 to 1994.

*enhancing participation, for opening new spaces for deliberation and reaching consensus. It will progressively, thanks to funds transfers to the localities, improve the conditions and quality of life of the citizens and communities (Segovia Mora 1994, p.372)<sup>121</sup>.*

Yet the New Constitution's aims needed to be turned into explicit laws and policies in order to be implemented. In the case of Bogotá, many believe the decentralization reform promoted by the New Constitution had important flaws in the original design which impeded its realization. Margareth Florez,<sup>122</sup> director of Communitarian and Local Affairs at the *Fundación Corona*, mentioned that, "*Bogotá has been implementing decentralization without being aware of it. It appears as if the daily demands of governing did not lend any time to think or design a public policy regarding decentralization in the city*". In a document from the end of the first Mockus' administration, she already advised,

*The process of decentralization has privileged means, instruments and structure over defining and understanding the strategic aim of this policy. If we do not accomplish this superior goal that is needed for orienting, articulating and organizing the process, the results will be unpredictable, and the impacts would be at most marginal; and what is worst, the city will have missed a crucial opportunity for change and the improvement of its social, economic and political conditions (Florez 1997, p.7).<sup>123</sup>*

The lack of a political design for decentralization included, according to Raúl Velásquez, *the lack of a model of local governments and because of that, the local political development has been so inconsistent, more subject to solving emerging problems than to implementing a public policy*. In addition, the non-existence of a clear policy resulted in a disorganized and inconsistent process of implementation; Raúl Lazala, based on his experience as local mayor, said,

*The city does not have clear understanding of what model of decentralization it wants, and because of that, the process has been mostly chaotic. It is a common practice that every time a high-level functionary of the central government is changed, he or she introduces changes to the existing practices. For example, during the time that I was local mayor, local health was managed first by the head of the first level hospital in the locality, then the new city's Secretary of Health, created the local directions of health; and then, when the Secretary of Health was changed, the new one dismantled the local directions of health that had been recently created. Another example is the Departamento Administrativo de Acción Comunal-DAAC, Department of Communitarian Actions which in the last ten years has promoted seven different approaches to the localities.*

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<sup>121</sup> Translation by the author.

<sup>122</sup> Interviewed on November 18, 2003.

<sup>123</sup> Translation by the author

Moreover, it is argued that because the New Constitution promoted the reform, it lacks not only the definition of its goals and means, but also the required trust and support from the authorities and citizens of the city. Alberto Maldonado,<sup>124</sup> researcher and consultant on decentralization in Bogotá mentioned,

*There is not an integral design of a decentralization policy and more importantly, there has not been a real debate in the city about decentralization. In my opinion, this has to do with the lack of a political force backing the discussion. Jordi Borja, the Spanish researcher, found in his studies on European cities that a requisite for the success of the decentralization reform is the existence of social and political forces pressuring its implementation. In Colombia, the debate was about decentralizing at the national level; in Bogotá, the process has been an exercise of systematized common sense.*

A research study conducted by the *Centro de Investigación y Educación Popular* (CINEP), evaluating decentralization in Bogotá, supports Maldonado's argument in regards to the people's commitment to the reform. According to the study, the lack of credibility and trust in the political system, in the country and the city, weakened the support given to the reform by the people (Zamudio Castañeda, García Velandia, and Katz García 1997, p. 279)

In addition to the traditional distrust of people in exclusive political systems, the lack of trust on the city's administrations and the local authorities deepened the contradictions between the discourse and the process of implementing decentralization, which in turn added conflict and confusion in regards to the decentralization policy (Velásquez Gavilanes 2003). Maybe the easiest, not necessarily the best, answer to these problems is what Jaime Silva mentioned when interviewed, *it is not the originality of the decentralization's proposal, as much as the need to clearly define its objectives in order to eliminate the many misunderstandings*<sup>125</sup>. Yet this goal requires a minimum consensus on the appropriateness of the reform. As mentioned by Margareth Florez, *"We are still far from understanding decentralization, the theme has not yet permeated neither the academic community nor the central administration; in fact, the central functionaries do not see the city as decentralized."*

In regards to the first enounced purpose of the decentralization reform, **to bring the administration closer to the people**, regardless of the strategies promoted by the central administrations to accomplish it, their caution and distrust towards the local authorities might have even produced the opposite effect. The central administration also discredited the localities

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<sup>124</sup> Interviewed on November 11, 2003

<sup>125</sup> Interviewed November 11, 2003.

based on their lack of institutional capacity, their lack of technical expertise, and the prevalence of a political culture characterized by clientelism and corruption (Zamudio Castañeda, García Velandia, and Katz García 1997, p.280).

Ex-mayor Peñalosa mentioned, *“The City Councilors celebrated having the possibility of reproducing their clienteles and practices in the localities. Lots of denouncements of corruption were filed; in fact, it was because of the high level of corruption that the creation of the UELs was necessary”*. In response to these arguments, the *ediles* and local mayors interviewed recognized the need to improve and develop the local political culture; nevertheless they do not believe that recentralization is the answer.

Carlos Carreño, *edil* from the locality of *Santafé*, elected by a communitarian list under Enirque Peñalosa, and the second Mockus’ administrations, mentioned,

*I found that vices of other public institutions as the Senate or the City Council were present in the local boards; some members were there to manage and increase their own clienteles, to push forward their own projects for growing their electorate. Nevertheless, we were able to work through coalitions that were not as stable as desirable. The first year I was part of a five members’ coalition<sup>126</sup>, but during the second year, we were divided in three groups with no majority. Certainly, when it is time to approve the allocation of the local budget is when conflict appears, personal interests conflicted with the common good. Nevertheless, recentralizing or discrediting the local level not only would not be a solution but a mistake; the city requires decentralization for solving the deep social and political problems it has. The localities are different and have different problems and different needs, and they need autonomy to decide what needs to be done. So far, the local developments plans are but copies of the central development plan.*

In response to the accusations of corruption, Carreño mentioned that this has been a traditional feature in the politics both in the country and the city, and not particularly worrisome at the local level.

*What is certain is that only 1 percent of the city’s total income is transferred to the localities, yet, this is the portion of the budget that is most carefully watched. It is true that increased involvement of the citizens in the management of public resources is needed, but they should not only control 1 percent of the budget but the whole city’s investment. For example, the city discovered after the end of Peñalosa’s administration, that the quality of many of his public works was questionable; the Transmilenium pavement, which was very expensive, needs repair far before expected, and the cycle-routes have light poles in the middle. Thus, the need to develop better mechanisms for controlling and scrutinizing the investment of public resources is undoubtedly important for the city at all levels.*

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<sup>126</sup> From seven members that is the total amount of *ediles* in the local board of *Santafé*.

Interestingly enough, the perception of unreliability is common on both sides, as central administrations have distrusted the capacity and responsibility of local authorities, local authorities and communities have distrusted the central administration's commitment to decentralization. For once, the historical political exclusion created indifference and distrust in any proposal from the government; and, many claimed that the same tradition of exclusion made the central governments so cautious in implementing decentralization, as it entails sharing power, and they have not been ready to do so. F. Zambrano affirmed,

*The arguments for undermining the local authorities are consistent with the political culture that has prevailed in the country and the city, a culture of exclusion. We never stop being enlightened despots<sup>127</sup>; this is the philosophy underneath the country and the city's political modernity, all for the people, but without the people. The verticality of the system and the concentration of power have not changed and are important obstacles for decentralizing,, despite all the resources and strategies set in place. This is why although local authorities are vital players for the implementation of decentralization, decisions about local life have not been transferred to them.*

A. Maldonado mentioned, *"The problem with decentralization is about power. Bogotá is a city of a size like Honduras or Guatemala, managed by a center made up of about 25 people."*

In regards to the second expected outcome of decentralizing, **the enhancement of participation**, there are several arguments questioning its success. Raúl Velázquez mentioned that the boost of formal institutions for promoting participation might have produced the opposite effect. *"There were so many new "participatory" formal arenas and mechanisms, that, to a certain extent, they ended up competing for the people's attention, and because of that they might have become an obstacle for participation."*<sup>128</sup>

A research study on participation in Bogotá supports this argument. According to the study, the lack of coordination between the many institutions promoting participation confused people and made it difficult to participate. In addition, the study reported on the existing conflict between social participation and political representation; the relationship between the local planning committee (CPL), representing the social power, and the JAL and local mayors, representing the political power, illustrated this conflict at the local level (Velásquez C. 2003, pp.327-337).

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<sup>127</sup> F. Zambrano refers to the philosophic movement from the 18th century known as "The Enlightenment."

<sup>128</sup> He mentioned among others, the local cultural committees, the planning local committees, and the local development funds.

In addition, it appears that the lack of commitment from the central government to decentralization has also affected the quality of participation. Margareth Florez, from her experience in evaluating the process of participatory planning, mentioned, *“The lack of clarity on the decentralization policy and institutional weaknesses of the localities greatly impacted the evaluation of the process of participation. At the bottom lies the question, what decentralization, and for what? Nevertheless, not one of the mayors engaged in a serious debate, nor did they strengthen the local governments”*

It was said that because of the lack of commitment to decentralization, the participation promoted was more formal than effective. F. Zambrano declared that from his experience, *“Most actions from the central government for promoting participation have been merely placebos. The mayor decides everything and there is a clear attitude of avoiding direct participation, and the people know that.”* Angela María Robledo expressed a similar perception, *“Everyone talks about participation, but it is, I participate, you participate, we participate, and **they** decide. I believe that the communities have advanced more than us.”*<sup>129</sup>

A thorough research study, conducted by PARCOMUN,<sup>130</sup> on the participatory planning exercises, supports the aforementioned arguments. According to the study, people reported that, on both occasions, the exercise was controlled and directed by central public officials that did not recognize the potential, nor the limitations, of local participants; they were considered passive receptors instead of active participants. The result was a great level of frustration among most of those who participated (Pedraza 2001pp.25-30).

Antantas Mockus, based on his experience as mayor in two occasions, made the following argument in regards to participation,

*There are citizens that like to be informed and to be part of deciding. There are also citizens however, which can be named modern, that appreciate the division of work in the city, trust the government, and do not need or want to know details; finally there are also citizens that are organized and do not need direct participation.*

Certainly, the political culture that has prevailed, in the country and the city, defined different types of citizens, as mentioned by Luis Alberto Restrepo, *“In a society like ours, deeply unequal and exclusive, participation tends to assume the air of social protest, and not of co-*

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<sup>129</sup> She referred to the government, as she was part of it; the emphasis corresponded to the interview.

<sup>130</sup> Fundación para la Participación Comunitaria (Foundation for Community Participation).



*responsibility*” (Restrepo 1997). Citizens choose how to participate in accordance to their previous experiences.

The third expected outcome of the decentralization reform was the **development of localities into new, and better, democratic arenas for deliberation and consensus building**. Three obstacles for reaching this goal were commonly mentioned in the interviews:

- **First**, the opening of the citizens’ encounters to individual participation resulted in a conflict between individual and common interests, complicating the possibilities of reaching consensus and aggregating interests.

The study conducted by F. Velásquez on participation supports this first argument. The report suggests that the design of the citizens’ encounters promoted an individualization of the relationship between the city’s central government and the citizens. Two out of five participants did not represent any collective interest. As a result, local identity has not been advanced; on the contrary smaller identities have been fortified, such as the neighborhood, the block or the parish (Velásquez C. 2003, pp.327-328).

In addition, the social and political capital represented by organizations with trajectories at the local level who could have been able to promote certain level of aggregation of interest was disregarded, as they were not consulted in the promotion of decentralization (Zamudio Castañeda, García Velandia, and Katz García 1997; Pedraza 2001). In regards to this argument, Antanas Mockus mentioned,

*Paul Bromberg considers that the whole system of intermediation that existed at the local level, in which the local needs were canalized by the JAC<sup>131</sup> (communal action boards) via the Council, was undermined because it attributed the same range to other organizations as the JAL and local development funds.*

This tendency was furthered by the amount of money available; local individuals and organizations competed for scarce resources, while the central government tried to optimize the allocation of resources by approving as many small projects as possible (Jiménez Benítez 2001, p.237).

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<sup>131</sup> Juntas de Acción Comunal

- **Second**, local communities do not know who their local representatives are, or trust them; local authorities are not knowledgeable about the localities, and that denouncements were made against local mayors that did not even live in the locality.

As Enrique Peñalosa mentioned, “*No one knows who their local authorities are.*” A study that evaluated the knowledge of the citizens in regards to the local governments supports this claim. According to the study, citizens have a very low level of knowledge on local matters, significantly lower than their knowledge in regards to the central administration; only 7 percent had an acceptable level of knowledge about local legislation compared with 62 percent with an acceptable level on the city’s legislation (Pizano 2001, p.50).<sup>132</sup> Yet, the general conclusions of the study mention a lack of knowledge from *Bogotanos* in regards to political authorities at all levels (Pizano 2001, p.70).

Another study aimed at evaluating the level of knowledge of citizens in regards to local institutions and authorities found that only 35.5 percent of participants knew what a JAL was. According to the report, this percentage is very positive if one considers that only 38.2 percent of participants knew what the City’s Council was; when the Council has been present in the city’s political life for much longer than the JAL and has had much more diffusion (García Sánchez 2003, pp. 106-107).<sup>133</sup>

Certainly, local communities are not acquainted enough with their institutions and authorities yet, which is not a surprising finding, considering that they are relatively new and that they arrived into a political system that lacked trust and credibility. On the other hand, are the local authorities acquainted enough with their communities? It has been said that due to the small number of votes required for electing an *edil*, they do not need to know the locality, or represent local interests. Jaime Silva mentioned, “*An edil may be elected by family and friends.*”

An analysis on the 1995 elections showed that some *ediles* were elected with less than one thousand votes in localities with populations over 500,000 (Donovan 2002, p.52), which supports Silva’s claim. In regards to this claim, Raúl Lazala mentioned that,

*It is important to understand that Bogotá is part of Colombia and that problems of representation and low quality of its political leaders are common to all political bodies in the country. We must*

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<sup>132</sup> Pizano based her study on a survey conducted by the city’s cultural institution in 1996.

<sup>133</sup> García-Sánchez based his study on a survey conducted for the SHD in 2000 as part of a consultancy on the institutional reform (Dávila Ladrón de Guevara and García Sánchez 2000).

*not forget the low quality of Colombia's political parties. In addition, the level of political fragmentation resulting from the opening of new political spaces in the localities is only a manifestation of Colombia's social fragmentation. The same problems that afflict the JAL are present in the Congress.*

A study on decentralization provided evidence supporting Lazala's argument. According to the study, the electoral system in Colombia privileges the conformation of political micro-enterprises, due to the minimum support required to win the elections (Jiménez Benítez 2001, p.240). The local politician responds to particular demands and not to identified collective problems of the locality (García Sánchez 2001). The *ediles* had their own compromises with their electorate, which should not be surprising; what is worrisome is the size of the electorate and in consequence, the capacity of the *ediles* to represent collective interests.

Paul Bromberg goes further in his critique of the *ediles*. He mentioned,

*The policy design for the creation of the JAL was completely wrong; the claim that the JAL improved democracy is not necessarily true. The fact is that you now have 184 new paid posts in the city that attract into the political system local leaders that lose their independence. Even worst, Agreement 12, the ediles became completely useless; this agreement was an action from the Council against the ediles, in order to recover their control of the local arenas. Before, they were the privileged intermediaries between the localities and the central government.*

Paul Bromberg's comments reflect the lack of clearly defined functions among local and central authorities, but also the prevailing lack of trust, even from those that are governing, in the capacity of the system.

The other key figure in the local system is the local mayor, a somewhat obscure figure that existed before the decentralization reform, and whose role has not significantly changed. Several interviewees mentioned that the position was irrelevant both before the reform and after it. In fact, almost none of the studies reviewed mentioned the local mayors, and none of the surveys referenced included questions about them.

The local mayor's role is complicated as they are located between the local representatives and the city's Mayor, who in fact is his or her boss. In fact, the local mayor is but an employee of the city's Mayor, which he can dismiss at any time. This position is also often a protégée of the *ediles*. As mentioned by Susana Schuster,

*Because the local mayor is a member of the trio of candidates prepared by the JAL, the candidate that the Mayor elects usually has compromises with the ediles that postulated him or her. Actually, I learned that this is the reason behind the coalitions, to present a trio in which, to a*

*certain extent, it is possible to predict who would be the selected mayor. What the ediles look for is to commit the local mayor to perform certain actions that guaranteed their political reproduction.*

Another problem, mentioned in the interviews, in regards to the local mayors was their lack of competencies for the post and lack of knowledge of the locality. Carlos Carreño mentioned that he witnessed “*protests against local mayors that did not even live in the locality*”. He argued that the recent improvement of the process of selection of local mayors, both in the configuration of the trios by the JAL, and in the criteria used by the Mayor to choose them might solve this problem. Two governments after this study introduced changes for improving the selection of local mayors. In his second administration (2001-2003), Mockus introduced a battery of psychological test to improve the selection of local mayors. Luis Eduardo Garzón (2004-2007), due to the amount of complains against local mayors in his government, introduced a much-debated process of selection that ended up with twenty new local mayors, all women.

Despite these improvements, the local mayors remain, as mentioned by Susana Schuster, “*as delegates of the Mayor in the localities that are instructed at the central level about which are the priorities.*” The local mayors remain employees of the Mayor and are not included in the government of the city as a whole, but in a little piece of it. As mentioned by Raúl Lazala,

*The more important administrative and political authority for the localities is still the central government, in particular the Mayor. The Mayor and the central government make the more important decisions for the localities; in consequence, the delegates of the central government in the localities are far more important than the local mayors or the ediles.*<sup>134</sup>

The third obstacle mentioned in the interviews referred to the impact of new and smaller polities in the city.

- **Third**, the opening of new and smaller spaces for practicing politics has fragmented even more the political spectrum in the city, resulting in higher deficiencies in representation.

Antanas Mockus mentioned,

*At the end of the 1990s, the political agents operated in a very fragmented market, in which everyone competed for their own future; there were no stimuli for collective action, it is a war of all against all. The internal fragmentation of the traditional parties became transparent, and with the addition of new political forces without political affiliation, what emerged was a market of electoral micro-enterprises. To the extreme that for 42 seats at the Council there were several hundreds of lists and only two or three of them were elected by a majority, while all the others by*

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<sup>134</sup> In fact, the delegates of central institutions such as DABS, IDCT or the Education Secretariat are more powerful than the local mayor, and do not need to consult or even inform him of their actions.

*a residual number. Most votes are wasted and few people got representation. What prevailed was fragmentation over representation.*

A study on political representation in the localities of Bogotá supports Mockus' claim. The study calculated the index of proportional representation (DP) for the JAL and found that from 1992 to 2000 it averaged 66.44 percent. The DP index measures how well a proportional electoral system proportionally reflects the preferences of voters; the acceptable values range between 10 and 15 percent (García Sánchez 2003, pp.77-80). Hence, the level of fragmentation in the localities, measured by the DP, is well above acceptable.

A previous study conducted by the same researcher found similar results in regards to the City Council, the DP's index average was 44.6 percent from 1992 to 2000; with an annual increase of over 7 percent. However, García Sánchez also recognizes that the localities have created a political space closer to the people and less elitist; the structures of intermediation became more horizontal, but less stable (García Sánchez 2001, pp.196-201).

There are those that consider that fragmentation is only a strategy of the traditional parties to recover their political space. In fact, the *Operación Avispa* (operation wasp) is an electoral strategy promoted by the traditional parties in order to increase the number of seats obtained by candidates with residual numbers of votes. F. Zambrano mentioned, "*Few years after the reform, the system regained its capacity to neutralize the emergence of new political players or movements closer to the people. This is just what happened at the local elections; the liberal party swept away the JAL's elections.*"<sup>135</sup>

Despite the apparent recovery of the two traditional parties, there is evidence showing an important increase in the number of civic organizations in the city. According to the study funded by *Fundación Corona*, around 49 percent of the city's civic organizations were created in the last ten years (Corporación Raices 2002). Although there is no information on the quality of their participation or their political significance, these organizations certainly represent a source of a political capital with potential to develop.

Finally, Raúl Lazala mentioned an appealing argument for to the value added to the city's political life by the creation of the JAL,

*I do believe the JAL have been very important in the enhancement of democracy and public administration. They reanimated the debate and interest in public issues, and validated the*

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<sup>135</sup> F. Zambrano refers to the local elections held on November of 2003.

*political options and actions of thousands of local leaders. It may be true that there are two types of democracy in the city, what I would call the democracy of public opinion, that finds expression in the election of the city's mayor, and the plebeian democracy, that is expressed in the elections of JAL and the City Council, and that is closer to the old clientelism and political practices. Nevertheless, despite the existing tensions, the process contributed to improving the city's government and provided important lessons for the city's life.*

A critical requisite for fulfilling the aforementioned expectations was the timely and appropriate transfer of funds for local development. A common complaint from the *ediles* interviewed was that the central administrations often did not generate the transfers and allow the localities to administer them. As mentioned by Carlos Carreño,

*None of the administrations followed the mandate establishing that the resources allocated to the localities would increase gradually until reaching 20 percent of the city's current income. They all stayed at the minimum 10 percent, undermining the strength of the localities and the reform.*

A number of analyses of the process of decentralization support this claim. Law 1 of 1992 provided that the central administration will allocate a minimum 10 percent of its current income to the localities, and that this amount would be incremented annually and accumulatively by 2 percent, until reaching 20 percent by 1998; seven years later, in the year 2000, the initial 10 percent remained unchanged (Jiménez Benítez 2001, p.223).

In 1993, the EOB made these funds even less certain as it left the allocation of funds and the definition of the priorities to the discretion of the Mayor. An evaluation of the amounts allocated showed that, in 1992 it was 0.8 percent of the total investment went to local development funds; in 1993, the number was 1.3 percent, and in 1994 it was 1.7 percent (Zamudio Castañeda 1997, p.40).

An evaluation on decentralization conducted by researchers from CINEP (Zamudio Castañeda, García Velandia, and Katz García 1997), mentions:

- The transfers of funds has been limited to 10 percent of the ordinary budget of the central administration;
- The control over local funds remains centralized and the transfer of funds depend on the availability of resources and the priorities of the Mayor. The local development funds are but an extra account in the financial secretariat of the central government, SHD;

- The amount of local investments managed by the JAL was very low, due to delays in the transfer of funds from the central government;
- Changes and inconsistencies in the legislation that regulate the local investment have complicated its management;
- The creation of the *Consejo Distrital de Política Económica y Fiscal-CONFIS* (the city's council of economic and fiscal policy) limited the autonomy of the local investment, as this new institution became an additional party that must approve the local development plans.

The achievement of the goals associated with decentralization had the final aim of **bettering the quality of life of local residents**. The most common criticisms in regards to this aim referred to: the lack of commitment from the central administrations to decentralization, the management of the localities as isolated units, and the change of perspectives and strategies from one mayor to the other. However, most interviewees recognized the fact that the city is a reflection of Colombia's problems and because of that, even the best policy could not completely solve its problems.

Alberto Maldonado mentioned,

*Poverty has grown due to the deterioration of employment and increase in unemployment. This just shows that a mayor can improve the city's infrastructure and because of that report improvements in the quality of life of its citizens, while at the same time people could be starving. Nevertheless, even the best mayor cannot control the many external factors that influence the city.*

In adding to Maldonado's argument, Raúl Lazala mentioned,

*Despite of the many efforts made by the city for improving the quality of life of its citizens, there are today more people living under the poverty line than ever, also the quality of employment in the city has decreased. These problems are, as mentioned before, the manifestation of the country's situation in the city. Bogotá can not be isolated from it; even more, Bogotá should not be considered an island.*

The evaluation of decentralization conducted by CINEP included a section on the impacts of decentralization in the quality of life of local citizens (Zamudio Castañeda, García Velandia, and Katz García 1997, pp.33-34), which revealed that:

- The management of social investment in the localities has been dominated by clientelism;
- The demand exceeds the offer, which in turn creates a lot of frustration

- The lack of a concept for local development hindered the impacts of local investments;
- The lack of articulation between the city and the local development planning affects the capacity to learn and optimize resources;
- Despite all limitations, the JAL directed local investments to areas previously ignored by the central administrations, directly impacting the quality of life in their localities.

Fabio Zambrano mentioned that,

*The emphasis on habitat over civitas, the understanding of the public space as the material space and not the political space, was clear in the case of Mockus and Peñalosa, without denying that Mockus directed more resources to the localities and to improve equity in the city. The priority for those governments was the public space in its physical dimension, to embellish, clean and develop the city's infrastructure. However, even beauty is unequally distributed in Bogotá, besides the fact that beauty is a very subjective concept. It has been estimated that close to 70 percent of the city's settlements are informal; it is different to visit Santa Ana<sup>136</sup>, than to visit Tunjuelito<sup>137</sup>. Anyway, it would be unfair to say that it has not been investment in embellishing the poorest neighborhoods; important public works were developed for the people, without the people.*

In regards to Zambrano's claim, councilor Jorge Durán Silva, in a public communication directed to the city Council and the citizens, mentioned, "*The result is a city with an enormous debt, great uncertainty regarding the sustainability of projects built under these administrations and the deterioration of the quality of life of its habitants (Durán Silva 2003).*"<sup>138</sup>

A research study on the perceptions of *Bogotanos* about the city, covering the three administrations presented in this chapter, reported that all participants concurred over the deterioration of the economic and social conditions in the city, which has resulted in increased poverty, unemployment and lack of security in the city. The *Bogotanos* in the study also commented that these problems were the consequence of the internal war, the displacement of people to Bogotá, and the recession of the mid-1990s (Pizano 2003, pp.118-119).

Regardless of the mismatches between the expectations created by the reform and its actual results, interestingly enough, all the interviewees, in spite of their differences, agreed that decentralization has contributed to the enhancement of the city's political life. A. Mockus from his experience as mayor of the city mentioned,

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<sup>136</sup> A rich northern neighborhood.

<sup>137</sup> A poor southern neighborhood..



*Even if we did not define clear goals for decentralization, it is my perception that the Bogotanos are today more prepared for acting collectively. The communities learned how to prepare projects and even more importantly how to prioritize them. The government learned to plan and invest considering the localities, before the decentralization reform deep problems that existed in the localities were overlooked; decentralization has promoted a focusing of resources and therefore equity. However, what I value most is the potential for horizontal innovation and learning; for example, the local mayor of Antonio Nariño developed his own interpretation of the concept of productivity; in association with local producers, he promoted the project School Shop, and was able to significantly reduce the cost of school supplies, while developing the local economy.*

As attested by Angela María Robledo,<sup>139</sup>

*Another important change that could be attributed to decentralization is the shift, still to be consolidated, from assistentialism<sup>140</sup> to the definition of social policies for the city. These policies need to be strengthened and there is still much to do, but the localities began to be the focus for the design and implementation of social policies. There have been important advances in education and health, to the extent that Bogotá has today the best coverage in the country.*

Independent of the level of commitment from the administration to decentralization, the localities attracted a lot of attention during this time; particularly important is the emergence of new voices into the discussion regarding decentralization. Certainly, there are more people talking and thinking about Bogotá than before; in the city, the country, and overseas, as proven by the number of debates, documents, and international recognitions about Bogotá in the last decade of the 1990s.

Margareth Florez declared, *“Before Jaime Castro, few were concern with the city as a social and political entity, today there are many new voices involved; certainly we need to learn much but the city is more inclusive as it is a subject of concern to more”*.

The emergence of the city as a public concern might have influenced how *Bogotanos* judged their governors. According to the study on their perceptions, *the Mayors before Antanas Mockus or Jaime Castro are perceived as inefficient, populist, cheap politicians and open to corruption* (Pizano 2003, p.181).

Decentralization permitted a scrutiny of the citizens into their governments and the inclusion of new voices into the public realm. Raul Lazala, local mayor mentioned,

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<sup>139</sup> Interviewed November

<sup>140</sup> A charity-like strategy in which people or groups are considered the object of intervention, to one in which they become protagonists of their own development (Archbishop Celestino Migliore 2004).

*What is important about the decentralization reform is not as much its administrative suitability as its ethic contribution. Decentralization means a redefinition of the model for governing; it is a bet on a closer relationship between the state and the citizens.*

Certainly, these last statements reaffirm the relation between decentralization and governance; what is not clear is how the quality and outcomes of the process affects the credibility of the decentralization proposal and its future developments, or on the other hand, how the characteristics of the process affected the system of governance.

## **7.7 POLICY ANALYSIS**

The process, as told above, is full of contradictions, inconsistencies, successes and failures, but more importantly is full of lessons, not only for the city, but also for those involved in public policy, in theory or practice. The final goal is to understand the tensions and interactions underneath this process, its achievements and limitations, and to learn from them.

According to public policy theory, the first step in designing a new policy is a careful analysis of a difficult situation in order to define a policy problem; meaning a problem that may be solved by institutional action. If the problems that the decentralization policy aimed at solving are unclear, the process becomes unpredictable and subject to the interpretation of whomever is in charge of deciding how to orient it. Another consequence of an unclear identification of the policy problem is the likelihood of investing scarce public funds, to implement the wrong solution (Dunn 1994).

The first salient element in the review of the process of decentralization in Bogotá is the lack of a clear definition of a policy model, or even more importantly, the lack of a precise definition of the problems to solve by decentralizing. This element is the expression the tension between the constitutional mandate and its application in the city. Despite the fact that the New Constitution was the expression of a very much-needed new social contract, its mandate to decentralize Bogotá lacked the required political and social consensus for succeeding; it was a top-down reform. The reform required a change of culture; no doubt a more inclusive and less hurried discussion could lead to a better understanding and to less resistance. It started as a very wide and undefined mandate and became a practice; decentralization became an end instead of a means, it was never a policy, at least as defined by theory.

In addition, the city's governments applied the mandate without the required debate to define why, how, and for what. The lack of discussion within the city increased the verticality of the approach of policy implementation. Once more, the process was very limited and managed at the top. Neither the problems nor the policy model was discussed with the appropriate stakeholders.

As presented by Guess and Farnham, failure to include all reasonable constituencies and options in defining policy problems and solutions is a major political mistake—that is, failure to deal with all dimensions of the problem permits underlying social conflicts to become aggravated. For this reason, policy development should include safeguards for public notice and comment, active participation, and a transparent appeal process (Guess and Farnham 2000, p.31).

The lack of definition of a policy model has other consequences; the implementation of the reform was subject to different interpretations and because of that, it did not have coherence or continuity. In fact, two different models emerged through the process; one is a clear commitment to deconcentration from the central government, while the other is a timid devolution of political and administrative power to the localities.

Another consequence of not having a policy model was the inability to foresee possible impacts of the policy implementation and its institutional rearrangements. For example, the creation of the JAL implied serious additional costs for the city, the running of elections in twenty localities, and the payment of 184 *ediles*, which in practice are underused. The city does not need local representatives to promote deconcentration that has been the privileged model in practice, as illustrated by the process.

Policy analysis theory mentions that before deciding what alternatives are the most appropriate to pursue, it is necessary to evaluate the structures already functioning to avoid duplication of efforts, power conflicts, and overlap of functions. This is another step that was lacking in the decentralization process; only when facing unavoidable conflicts between organizations or institutions was it considered. The conflict among parallel organizations relates to the existence of parallel and conflicting implicit models of decentralization.

It is possible to conclude that what happened with the process of decentralization in Bogotá has a lot to do with the tendency to believe that producing norms has the magic effect of substituting for the social, political, cultural and economic processes required for a change to take effect (Moreno Ospina 1997). In Bogotá, many people believe that decentralization has not closed the gap between letter and practice, that it is a “paper” reform.

Another lesson from public policy discourse asserts that the appropriate strategy for promoting a new policy depends on the level of credibility of the government, the quality and quantity of the alliances supporting the decisions, and the organizational capacity to assure the successful implementation of a policy. The lack of credibility of the political system, in Colombia and Bogotá, caused problems in the initial promotion of decentralization; aggravated in turn by the lack of credibility in the reform from the city's government. The central government did not established alliances with local political players and ignored the capacity of local organizations to support the process. The administrations reviewed believed that they knew what was best for the city, and to some extent that is why people elected them; nevertheless, even the best government has to be ready to negotiate.

It is important to notice that new alliances emerged in the city, promoted by other sectors in society than the state, and motivated, according to their leaders, by the decentralization reform. They created *Bogotá Cómo Vamos*, a public-private initiative to evaluate the governments' performance, and *Concejo Cómo Vamos*, a similar initiative concentrated in improving and watching the City Council's performance. The Division of Local Affairs of the *Fundacion Corona*, aimed at enhancing communitarian organizations at the local level and strengthening local governments; and *Univerciudad*, a program dedicated to study the city, informed the citizens and promoted debates on public affairs.

The aforementioned institutions assumed an active role in the process of defining and implementing decentralization in the city. They performed most of the monitoring of the process, which is, according to public policy theory, another important element in a successful implementation. Monitoring helps to assess degrees of compliance, discover unintended consequences of policies and programs, identify obstacles and constraints, and locate sources of responsibility for departures from policies in order to help the implementation process (Dunn 1994, p.19)

A last consequence of not having a clear policy design is the difficulty of evaluating not only the process, but also its results and impacts. Evaluation yields policy-relevant knowledge about discrepancies between expected and actual policy performance; monitoring not only gives results about the extent to which problems have been alleviated but also contributes to the clarification and critique of the values driving a policy, the adjustment or reformulation of policies, and even for reformulation of the problem (Dunn 1994, p.19).

The implementation of decentralization with all the expectations associated with it, required deep changes in the prevalent political culture or cultures in the city. The review of the process showed the existence of at least two conflicting political cultures; the politics of notables and the politics of plebeian (García Sánchez 2001, p.186). It seems that the tradition of exclusion impeded the recognition of the value added that each might bring to the process of creating a new city.

The conceptualization of the localities as individualized entities, disconnected from the center, impeded the articulation of a common vision of the city and the creation of a system of governance in which the whole is more than the sum of its parts. The disconnect between local and central planning and the gap in the allocation of funds deepened the social and political divides; in general, 90 percent of the budget goes to the central planning, and only 10 percent to local planning. It has been a centralized decentralization.

Nevertheless, it is necessary to recognize that along with the central government's resistance to decentralizing, the process also lacked the presence of an organized civil society committed to the democratization of the city. How did citizens do?

- They respond within expected values to the local elections
- They participated in mass in the first and second participatory planning exercises
- They continue using informal strategies of political participation such as strikes, marches, and others
- They lost interest in the process as they began to feel that they were passive guests
- They did not have a comprehensive view and understanding of the local problems and needs
- They are still thinking in terms of individual gains, independent of the major problems affecting the locality
- They are, in general, unaware of the power of citizenship.

It is important to recognize that even the best policy has limitations, if the decentralization reform in Bogotá had not had any failures; the city would have nonetheless many problems. Decentralization is not a panacea for all the problems affecting the city. Many problems require further changes in the country, and many depend on global trends. Nevertheless, the process is

irreversible, regardless of its inconsistencies and failures, decentralization is out there in the streets of Bogotá, and it just can be improved or destroyed.

## 8.0 COMPARING RESULTS OR, TODO TIEMPO PASADO FUE PEOR

*“Urban governance can be carried out by local neighborhood networks without interference from governmental agencies. (...) Overall, urban governance and aggregation seems safer in local hands than in those of political bodies”*

Mathew A. Crenson (1978).

### 8.1 INTRODUCTION

It is well known that public policy is a political and technical exercise, what is often forgotten is that it is also an exercise of hope. A policy is a deliberate intervention to solve a problem that affects the life of people; as such, it necessarily creates expectations and hopes, particularly among those most affected by the problem. Moreover, due to the systemic nature of society, a change in one part affects the system as a whole. Thus, how policies are planned and implemented depends largely on the power interactions within the system and the capacity of its constituents to negotiate and pursue the common good. This is why governance became such a relevant concept; it seeks to understand, and explain interactions in complex socio-political systems.

More specifically, governance refers to the complex interactions between actors with different priorities by which decisions in regards to public concerns are made. It includes formal institutions, regimes empowered to enforce compliance, as well as informal arrangements that people, and institutions either, have agreed to, or perceive to be in their interest.

Good governance aims to promote a system of interactions, in which those involved understand that the health of the system depends on the health of each and all of its constituents. Among other promotes important characteristics, a good governance system must be participatory, equitable and efficient. It is my interpretation that participation is an indicator of political efficiency, equity indicates social efficiency, and efficiency itself indicates economic performance.

Decentralization was promoted as the most appropriate strategy for the promotion of these characteristics and values of (good) governance, based on the assumption that its implementation necessarily implies the redistribution of power, within the state and between the state and the citizens; resulting in more democratic systems.

The system of governance in Bogotá had a mayor change when the New Constitution of 1991 promoted a decentralization reform. The reform required the redistribution of power within the state; a new layer of governance was added to the system. The localities, which were before mere administrative divisions, became new political arenas with new representatives and new rights.

The reform also implied the redistribution of power between the state and the citizens; According to the New Constitution, participation was the main feature of Colombia's democratic system; it would give a voice to the excluded as well as enhancing the state's accountability and performance. Has the decentralization reform in Bogotá produced the expected results, and to what extent? In order to answer these questions, this chapter presents a comparison of the system of governance in Bogotá, before and after the decentralization reform, with a focus on three critical variables of (good) governance: participation, equity, and efficiency.

## **8.2 PARTICIPATION**

The New Constitution of 1991 included important provisions for the promotion of participation at all levels, as a mean for enhancing democracy and redefining the country's political system. The new charter changed Colombia's political regimen from a representative to a participatory democracy. In order to support this change, new mechanisms for direct participation, as well as new forms of political representation, were instituted.

During the 1990s, in response to the constitutional mandates, Congress discussed and approved a series of laws for the promotion of participation and inclusion in the country. The laws supported two constitutional aims: to close the prevalent social and political gap in the country, and to return some legitimacy to the political elite and credibility to the political system.



Bogotá was no exception to the social and political unrest that prevailed in Colombia in the late twentieth century. The relationship between the state and civic organizations was confrontational and citizens were very skeptical about the city's political institutions. In fact, between 1975 and 2000, Bogotá was only second to Medellín in the number of social protests of all kind, including strikes, marches, blockages and others. Undoubtedly, many of the social protests conducted in Bogotá were motivated by national problems; nevertheless, the neighborhoods of Bogotá showed high levels of organization for supporting and leading the protests (Mauricio Archila N. [et al.] 2002, p.247; Alfonso, Hataya, and Jaramillo 1997; Pedraza 2001).

Thus, the complexity of the city's system of non-formal participation is an important element to consider when evaluating the results of the decentralization reform. This section reviews and compares political and social participation mechanisms and behaviors, from before and after the decentralization reform. Eight indicators of participation were assessed:

1. Increase or creation of mechanisms for participation (formal and informal)
2. Increase or creation of programs promoted by community groups and organizations
3. Legislation on participation
4. Incorporation of excluded groups in the consultation process
5. Increase or existence of public meetings for discussing planning and budgets
6. Number of voters and relative participation in elections
7. Increase in the number of parties participating in elections
8. Emergence of new political players

Subsection [8.2.1](#) presents the first four indicators, old and new mechanisms for participation, including the promoters and the targeted populations, as well as the legislation concerning it. Subsection [8.2.2](#) summarizes the information available about participatory planning. Subsection [8.2.3](#) presents results of the electoral processes in the city, covering indicators 6, 7, and 8. Subsection [8.2.4](#) presents some comments regarding participation and its indicators, and a brief analysis of the findings.

### 8.2.1 Participation: letter and practice

The New Constitution required the expedition of local laws for supporting and specifying the constitutional mandates. Table 44 presents pre-existing and new laws for the promotion of participation in Bogotá.

**Table 44: Laws promoting participation in Bogotá**

Year	Legal Document	Level/Authority	Mechanism
1987	Decree 843	Mayor	Evaluation committees of the open government councils
1989	Decree 1216	National	Creates COPACOS (Local community participation committees)
1990	Decree 1416	National	Rules the COPACOS
1991	Decree 619	Mayor	Creates the Zonal Security Councils
1993	Decree 1421	Local, presidential decree	Creates the JAL
	Law 70	National	Promotes the creation of Black Communities Councils
1994	Decree 1028	National	Creates Bogotá's Commission for Civic Participation
	Sentence 180	National, Constitutional Court	Established mandatory residence for those participating in local politics
	Law 115	National	Local forums on education, school governments, students representatives
	Decree 462	Mayor	Creates local cultural councils
1995	Agreement 14	City Council	Defines the procedure for the elaboration of local development plans
1996	Agreement 23	City Council	Creates citizens watch groups for education
1997	Decree 1173	Mayor	Creates the Local Directions of Health
1998	Decree 868	Mayor	<u>Derogates</u> the Local Directions of Health
2000	Agreement 13	City Council	Local Planning Councils
	Resolution 43	City's Controller	Defines procedures for the organization and implementation of special participation programs

Source: (Velásquez C. 2003; Velásquez C. and González R. 2003), [www.bogota.gov.co](http://www.bogota.gov.co)

In addition to the changes introduced in the legal framework, the city's infrastructure for participation was reinforced by creating spaces of dialogue where the new social contract could be ratified. Table 45 presents pre-existing and new formal organizations for the promotion of participation at the local level.

**Table 45: Formal organizations for local participation**

Local Councils	Laws and decrees
Civic watch committees on prices	Decree 620 of 1973
Consultant committees to the minor mayorship	Decree 851 of 1973
Communities participation in local management (regulates)	Decree 2621 of 1982
Government Councils	Decree 843 of 1987 Mayor
Zonal Security Committees	Decree 619 of 1991, Mayor; modified by Decree 115 de 1992
Local Cultural Councils	Decree 462 of 1994 Mayor
Local Councils for abused and sexual exploited children	Agreement 12, 1998 City Council
Local Planning Councils	Agreement 13, 2000 City Council

Source: (Velásquez C. 2003; Velásquez C. and González R. 2003) and Bogotá's website.

After 2000, which is the limit set for this study, some other organizations for the promotion of participation were instituted. The City Council created Youth Local Councils in 2001 (established by National Law 375 of 1997). The Controller's office promoted the creation of Local Committees for Social Control in 2003, and, the administration of Luis Eduardo Garzón (2004-2007) created the Local Councils for Social Policy and the Local Councils for victims of intra-family violence and sexual exploitation.

Finally, a hybrid form of institutions have appeared in Bogotá, not promoted exclusively by the central government, which indicate a redistribution of power between the state and the civil society, as well as the restoration of their relationship. It is in this type of organizations that many traditionally excluded groups are finally being included in the state's action.

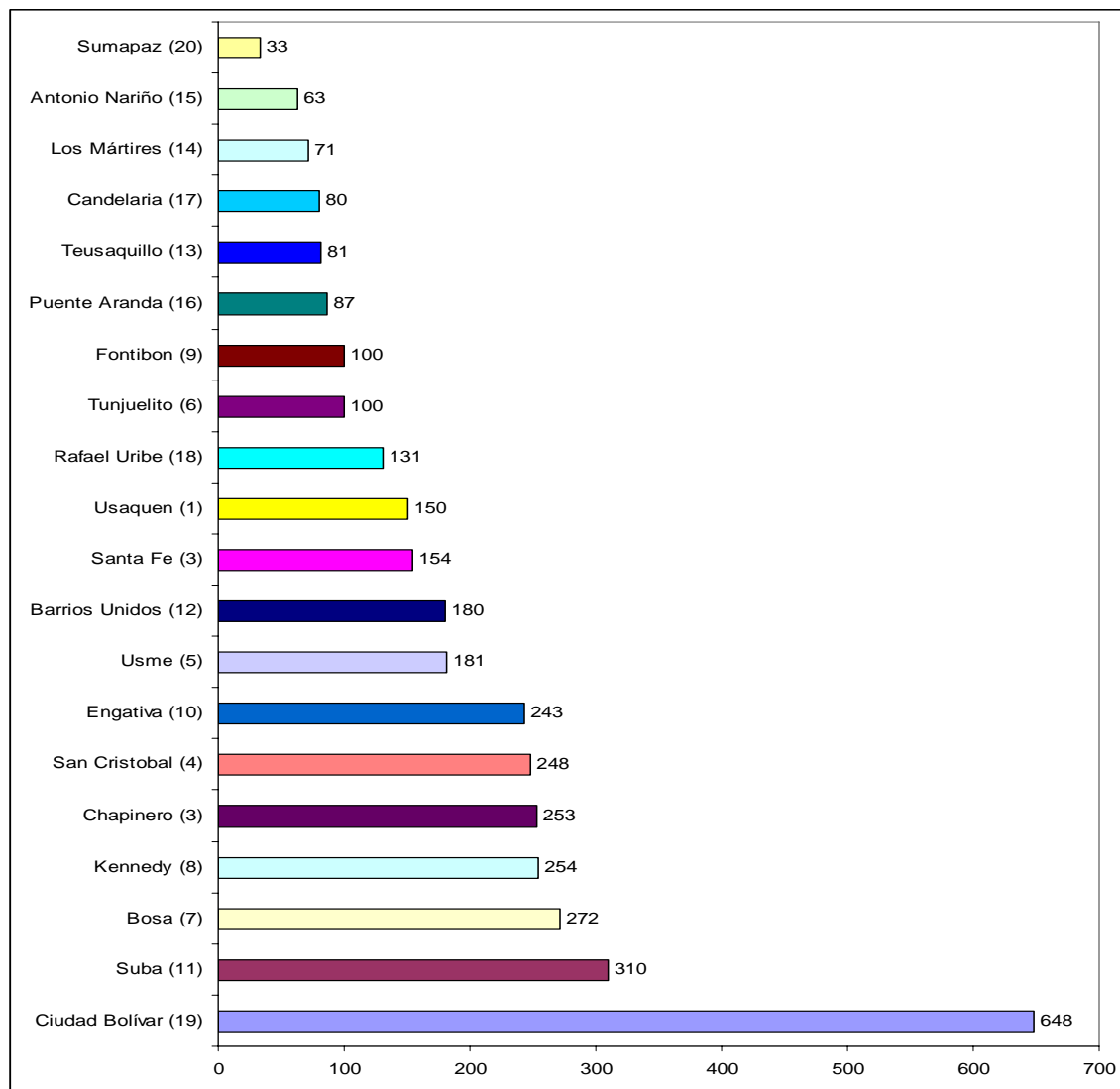
The DABS (Departamento Administrativo de Bienestar Social) created discussion tables in recognition of the existence of organizations that were already working at the localities with specific populations, such as communitarian associations to help children and youth, senior citizens groups, and NGOs promoting women's health. In addition, it is possible to identify emerging organizations in which the civil society, the private sector and the state concur in search of the common good, indicating the emergence of new forms of governance. Table 46 presents new informal organizations promoting participation, which involve both the state and the citizens.

**Table 46: Informal organizations for participation**

Organization		Promoter	Members
Monitoring Committee for the SISBEN		SDS and communities	Government and social representatives
Local Committees of the Solidarity Network		DABS, IDRD and communities	Government and low income representatives
Local and District youth tables		Youth organizations and government functionaries	Youth involved in the City's Youth Council
Social Policies by target population discussion and design tables		DABS	Citizens and NGOs working with specific populations (youth, seniors, women, children, disabled, and others.)
Thematic Committees (culture, ecology, communications)		Central administration	Central administration and sectors representatives
Groups for the enhancement of living together		Government Secretariat	Citizens interested in enhancing living together
<i>Bogotá Cómo Vamos</i> (Monitoring and evaluation of city's central government performance)		NGOs, media, CCB (private initiative)	Representatives from the founding organizations
<i>Consejo Cómo Vamos</i> (Monitoring and evaluation of City's Council performance)		NGOs, media, CCB (private initiative)	Representatives from the founding organizations
Red Bogotá	<i>Univerciudad</i> : on-line magazine	Program of the National University of Colombia for promoting access to information and debate about Bogotá	Coordinated by a professor from the National University and open to any participant
	<i>Hacer público lo público</i> : focused on decentralization and local themes		
	<i>Bogotá en los medios</i> : media coverage on the city		
	<i>Bogotá en datos</i> : Bogotá's data		

Source: Based on (Velásquez C. 2003), the interviews and documents collected.

In addition to new institutions created for participation, it was expected that the recognition of localities as political arenas would promote their organizational capacity. The emergence of numerous civic organizations at the local level provides evidence supporting the aforementioned expectation; due that 49 percent of the city's civic organizations were created between 1991 and 2001 (Corporación Raices 2002). Figure 35 illustrates the number of civic organizations per locality in the year 2001.

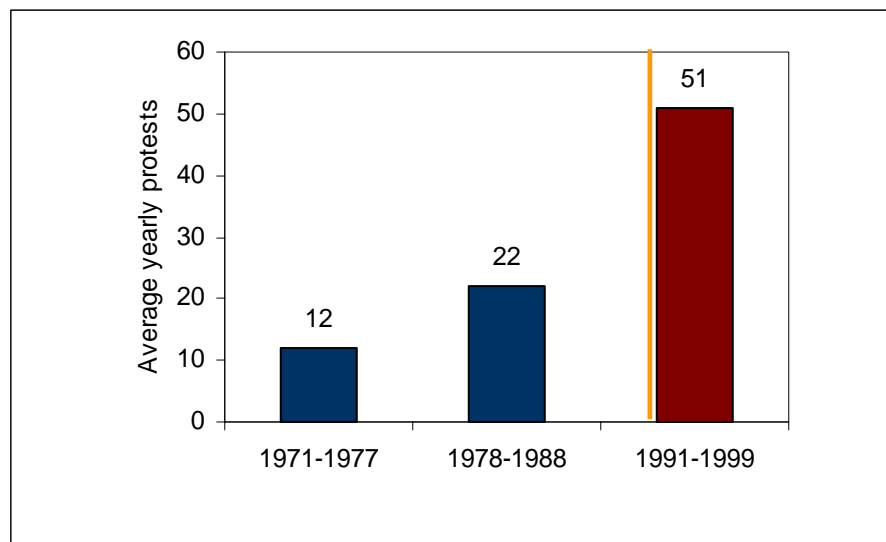


Source: Data from (Corporación Raices 2002)

**Figure 35: Civic Organizations per locality in Bogotá, 1998-2000**

It is plausible to affirm that the availability of resources for participation is a causal element in increasing the number of local organizations in Bogotá. Nevertheless, the city has a long lasting tradition of civic organizations, which managed to participate and create their own political spaces. Protesting was a deep-rooted form of political participation in the neighborhoods of Bogotá; it prevailed in the past, but it is also noticeably important in the present.

The *Bogotanos* have protested mainly against an over-centralized government closely tied to regional and national political networks. The increment in *paros*, strikes, blockages, and other forms of social protest from the 1970s on, illustrates the increasing unrest provoked by the prevalence of exclusion that led to renegotiating the country's social contract in 1991. From 1971 to 1977, the average number of strikes per year was 12, from 1978 to 1988 it increased to 22, and from 1991 to 1999, it increased to 51 protests per year (Pedraza 2001, p.34), as illustrated by Figure 36.

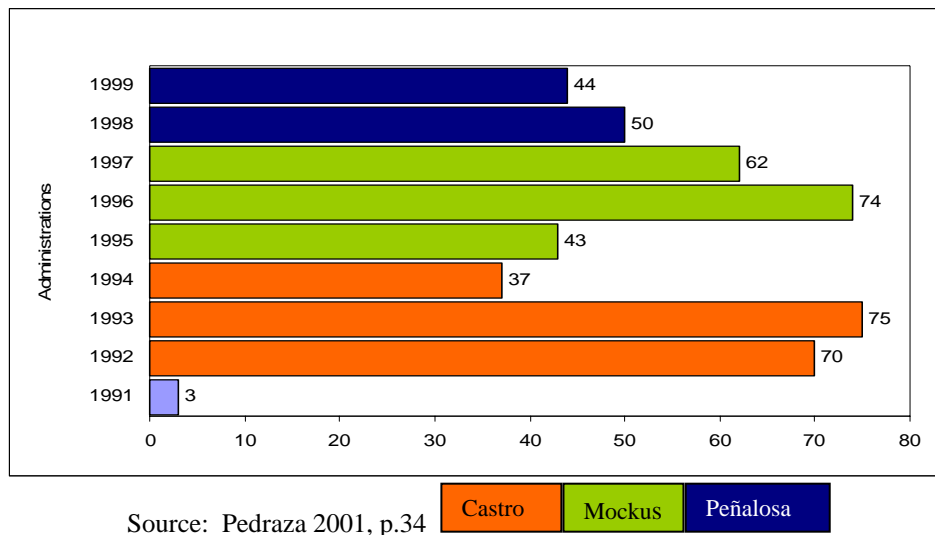


Source: data from (Pedraza 2001) and (Mauricio Archila N. [et al.] 2002)

**Figure 36: Average protests per year, before and after the reform**

My contention is that the increase in the number of protests, particularly after 1991, shows an important increase in participation, through well-known mechanisms; it also reveals the tensions created by the top-down approach that the decentralization reform has taken in the city. All the

administrations reviewed had an extremely formal proposal for the *Bogotanos*; they all wanted citizens to learn how to participate according to their standards. In this approach, according to Kliksberg, “*Order, hierarchy, command, the formalization of processes, and a vertical perception to organization are the keys of efficiency. [...] order, that is a means, tend to become an end*” (Kliksberg, p.21). Figure 37 illustrates the number of protests that occurred during the three administrations in charge of implementing the decentralization reform.



**Figure 37: Protests in Bogotá, 1991-1999**

Social protest has its own validity in comparison to formal mechanisms of participation; it shows that the citizens are unhappy with the available mechanisms for participation, as well as with their relationship with the state or other players in the city. A protest usually expresses the impossibility of a dialogue between the parties; an example is the case of the relocation of a factory that pollutes the environment without consulting the affected communities. Social protest is a flexible and inclusive strategy yet ephemeral; as such, it must be articulated with other forms of participation.

Finally it would be presumptuous to expect that people would change their well-known mechanisms of participation for new ones, without proof that these are more effective. In fact, in Bogotá there have always been formal spaces for participation; nevertheless, the characteristics of the state-citizen relationship gave preference to informal mechanisms, which proved quite

successful in gaining attention from the central government and forcing it into dialogue and negotiations. The dismissal of social protest as a legitimate form of participation reflects the contradiction between the participatory discourse and its practice.

### 8.2.2 Participatory Planning

Before the New Constitution forced the decentralization reform onto the city, some political leaders tried to promote a more democratic regime for Bogotá; nevertheless, they failed, due to the resistance of those interested in keeping Bogotá under the control of the president and his regional allies, as mentioned in [Chapter 7.0](#). The government of Bogotá, with the support of the United Nations, tried a first experiment with participatory planning in 1987.

The districts of *Ciudad Bolívar*, *Usaquén*, *Suba*, *Usme*, *Engativa*, *Bosa* and *Kennedy* were chosen to be part of the *Gobiernos Abiertos* (open governments). The methodology was to conduct open discussions in which, based on the information presented by delegates from the government secretariats, the communities had to decide investments' priorities. The designated Mayor, Julio César Sánchez, a liberal, created the *Consejos de Gobierno* (government committee) at the *alcaldías menores* (minor mayorship) for monitoring the advancement of the projects by Decree 847 of 1997. The local councils of government would not exist until the year 2002 when Decree 098 instituted them again.

As the aforementioned reform is the only antecedent of participatory planning before the decentralization reform, it does not lend itself to a systematic comparison. After the decentralization reform, the inclusion of the communities in their own local planning was mandatory; in consequence, the 20 *localidades* of Bogotá were summoned to participate in planning their development on two occasions, under Antanas Mockus in 1995, and under Enrique Peñalosa in 1998. It is worthy to summarize the results from these processes, as they are a significant strategy for changing the relation of power between the state and the citizens.

Undoubtedly, the process of participatory planning brought citizens and government closer, but the benefits of this interchange were unequally distributed. The government learned about the city and its local territorial and political units, and this knowledge allowed them to enhance coordination among different central units of government. Nevertheless, both participatory



planning exercises were controlled and directed by public officials, had a predetermined format, and did not recognize neither the potential, nor the limitations, of the local subjects.

Table 47 presents a comparison in the number of projects presented, and number of projects per 1,000 inhabitants, by locality, between 1995 and 1998.

**Table 47: Participation in Local Planning**

Locality		Antanas Mockus 1995			Enrique Peñalosa 1998		
		Population 1993	# of projects	Projects/1000 people	Population 1997	# of projects	Projects/1000 people
1	Usaquén	208,467	467	2.24	341,909	85	0.25
2	Chapinero	354,557	447	1.26	402,542	33	0.08
3	Santafé	116,053	300	2.59	162,122	114	0.7
4	San Cristóbal	103,039	736	7.14	135,708	107	0.79
5	Usme	417,417	795	1.90	377,639	151	0.4
6	Tunjuelito	199,461	912	4.57	208,483	45	0.22
7	Bosa	211,866	397	1.87	199,156	59	0.3
8	Kennedy	681,139	1,023	1.50	792.31	100	0.13
9	Fontibón	588,914	1,143	1.94	538.77	87	0.16
10	Engativa	184,491	482	2.61	220,606	108	0.49
11	Suba	132,474	405	3.06	152,985	59	0.39
12	B.Unidos	95,801	257	2.68	119.24	39	0.33
13	Teusaquillo	101,502	311	3.06	149,296	48	0.32
14	Mártires	298,257	442	1.48	356,043	264	0.74
15	Antonio Nariño	24,627	269	10.92	26,929	50	1.86
16	Pte.Aranda	390,506	689	1.76	303,266	63	0.21
17	Candelaria	218.38	795	3.64	249,909	179	0.72
18	Rafael U.U.	389,661	1,444	3.71	406.82	204	0.5
19	Ciudad Bolívar	767,633	1,635	2.13	622.24	134	0.22
20	Sumapaz	16,751	225	13.43		92	
Totales		5,500,996	13,174	3.68	5,765,973	2,021	0.46

Source: *Diez años de Participación en Bogotá* (Pedraza 2001, p.8).

The difference between the first and second participatory planning exercise is significant, particularly in the number of people participating (inferred by the number of projects per 1,000 inhabitants). A small decrease in the number of projects was expected, because the first time

“everyone” wanted to participate and that excitement tends to subside eventually, however, the decrease was much higher than expected.

Some causes of the decline in participation from the first to the second participatory process are:

- The level of technical expertise required for presenting a project was increasingly complicated in the second occasion
- The time commitment for the whole process was triple in the second occasion
- The introduction of the UEL (Unidades Ejecutivas Locales) in the administration of Enrique Peñalosa

The data available is not consistent enough to compare the two processes. However, data for the number of people participating during Peñalosa’s administration, from the Government Secretariat, shows that people appeared to be losing interest; 46,818 people participated in 1998, 35,833 in 1999, and 31,716 in 2000 (Velásquez C. 2003, p.326). Despite all limitations, the introduction of participatory planning in the localities brought significant changes.

- *Localidades* now had a local budget that in itself opened the system of governance, and despite of its amount, localities had certain resources that did not exist before.
- The process brought attention into the local life and increased the dialogue within the communities and between them and the central administration.
- The process attracted the involvement of the private sector into the political life of the city
- Finally, it instituted a formal local space for participation

### **8.2.3 Elections as Participation**

This study examines the period that began with the institution of mayoral elections in 1986, to the end of the twentieth century in the year 2000, and its breaking point is the decentralization reform promoted by the New Constitution of 1991, by which a new layer of government was introduced in the city. Between 1988 and 2000, the city elected 5 mayors, and 143 city

councilors; from 1991 to 2000, it elected 552 *ediles*. This section reviews these elections in regards to the impact of the decentralization reform.<sup>141</sup>

**8.2.3.1 Mayoral elections in Bogotá** The re-establishment of direct elections for Mayor in 1986 is for many the most important political event for the country in the twentieth century; the Bogotanos elected their first Mayor in 1988. Before 1988, the president appointed the city's Mayor, which was subject to national and regional political bargaining; the Mayor had to be loyal to the presidential interests, which were not always compatible with the city's interests. Consequently, one of the main constraints, was the short time that Mayors stayed in office; "between 1931 and 1954, the average stay was nine months; and only three Mayors survived for more than two years" (Gilbert and Dávila 2002, p.37).

In addition, the turnover of Mayors was usually accompanied with the replacement of most directors of the city's public offices, which deeply deteriorated the continuity of policies and programs, and their efficiency. The election of the Mayor undoubtedly improved the city's political life; citizens ought to choose their political leader and the elected Mayor was now committed to his or her electorate. However, it is argued that the expectations created by the election of the Mayor were not fulfilled; the traditional parties managed to retain their political control in the city, and the preferred form of public management, clientelism, remained unchanged (Otálora Castañeda 2002; Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001). The analysis of the electoral behavior of the *Bogotanos* helps in examining this argument.

Andrés Pastrana, a conservative in a liberal city, who belongs to one of the most traditional conservative families in the country, won the first Mayoral elections in 1988. He was a well-known TV broadcaster on his family's news program, who was kidnapped just before the elections; it is unknown how much "*that was a vote of sympathy*," as mentioned by Gilbert and Dávila (2002, p.38). In addition, the division of the liberal party made it easy for the conservative to win the 1988 elections; seven candidates claimed the representation of the party.

In 1990, showing that it had learned its lesson from the 1988 elections, the liberal party presented a unique candidate to the electorate, Juan Martín Caicedo, who easily won the

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<sup>141</sup>Most of this section draws from a research study on electoral behavior in Bogotá, conducted by the Instituto Luis Carlos Galán (2001; 2001b).

elections with 65.63 percent of the votes. Juan Martín Caicedo governed the city in a time of turmoil and change; in 1991, the New Constitution changed the rules of the game, and Mayor Caicedo was sent to jail for giving the city's councilors *auxilios* (grants), which were a customary practice in the city. Table 48 provides an overview of the mayoral elections from 1988 to 2000.

**Table 48: Taxonomy of elections for major in Bogotá 1988 – 2000**

Year	Elected Major	Political Affiliation	Votes obtained and %	# of candidates	# of women	Political parties	Total votes	Abstention* (%)
1988	Andrés Pastrana	Conservative	328,657	21	4	1 Conservative 7 Liberals 1 UP (left) 1 Anapo-civic 1 Meta-politic 10 others	943,990	40.18
			34.82%					
1990	Juan Martín Caicedo Ferrer	Liberal	597,295	11	1	1 Conservative 2 Liberal 1 UP (left) 1 M-19 1 Meta-politic 5 others	915,406	52.08
			65.25%					
1992	Jaime Castro	Liberal	312,803	17	2	2 Conservative 1 Liberal 2 Leftists 2 M-19 1 Meta-politic 1 Civic 8 others	582,749	73.75
			53.68%					
1994	Antanas Mockus	Independent	492,389	3	0	1 Conservative 1 Liberal 1 independent	789,874	70.23
			62.50%					
1997	Enrique Peñalosa	Liberal Independent	619,086	15	0	2 Conservative 7 Liberal 1 independent 1 M-19 (left) 1 Civic 3 others	1,318,661	57.27
			46.95%					

Source: Data from Comportamiento Electoral en Bogotá 1982-1997. Instituto para el desarrollo de la Democracia Luis Carlos Galán (based on data from the Registrars Office)

There are some interesting facts illustrated by table 48. The first two elections for Mayor appear to have attracted a lot more of the electorate's attention than the decentralization reform if

one considers the level of abstention. It is not until 1997 that the electoral participation returned to the same level as before the reform. Nevertheless, the percentage by which a candidate is elected Mayor of Bogotá appears to have stabilized, with one significant variation in 1994, when Antanas Mockus was elected with the highest percentage ever.

After the New Constitution, many political players that stayed out of the formal institutions, due to their exclusive practices, entered the mayoral contest. In 1992, they were 17 candidates, everyone wanted to participate, yet, only three were affiliated to the conservative or liberal parties; two women participated in the contest. Jaime Castro the elected in 1992 was the first Mayor governing for three years, as the New Constitution extended the mayorship from two to three years.

In 1994, they were three candidates, 1 conservative, 1 liberal and 1 independent. In 1997, the amount of candidates increases to 15, 7 of which were liberal and 2 conservative; the winner, Enrique Peñalosa, participated as an independent. In both years there were no women candidates.

It is possible to confirm that the two traditional parties, liberals and conservatives, have lost their hegemony in the mayorship of Bogotá; particularly if one considers that Antanas Mockus was reelected in 2000, and that a leftist candidate, Luis Eduardo Garzón was elected in 2003. The three mayoral elections following the New Constitution illustrated the consolidation of movements and candidates without an explicit political affiliation.

It appears that the best strategy to win, at least for a while, was to participate in the elections as a candidate who despises politics, as if the candidate for mayor were not part of a political process and a political structure. The lack of legitimacy of traditional parties gave legitimacy to those that claimed not to belong to any; the “old politics” were so discredited that being a politician or being in politics was equivalent to being corrupted, inefficient, and inappropriate (Peña 1995). Obviously, the traditional parties decided to sell themselves under new labels, though not necessarily new ideas; many decided to present themselves as independent.

From 1994 on, the conservative party lost any chances of electing a mayor in Bogotá; it has consistently attracted less than 5 percent of the voters, and did not have a pool of candidates from which to choose. In fact, the conservative party supported independent candidates in the 1994 and 2000 elections. In any case, it has been calculated that despite the number of candidates for mayorship of Bogotá, only two or three are real competitors; the number of Effective Electoral

Parties in Bogotá (EEP), according to calculations from García Sánchez is 2.9 (García Sánchez 2001, p.211).

Finally, the Mayor of Bogotá has always been a man, and the women that have participated in the elections did not have any chances of winning. Sonia Durán de Infante substituted for Mayor Juan Martín Caicedo for few months, when no one wanted to be associated with that administration. She was placed in jail and later proven innocent.

**8.2.3.2 Council elections** Until 1970, the City Council was part of the political bargain established between the liberal and conservatives in the 1958 National Front. In consequence, the 16 “elected” councilors and their substitutes had to be evenly distributed between the two parties (PROPÚBLICOS 1984). The main changes since 1972 have been the increase in the number of councilors, in line with the city’s growing population, the introduction of free elections in 1974 (Gilbert and Dávila 2002, p.33), the redefinition of functions introduced by the EOB in 1993, and the extension of the councilors’ period in office from two to three years in 1994.

The New Constitution established that the number of councilors in the city had to be proportionate to the city’s population. Article 9 of the EOB established the election of one council member for each 150,000 inhabitants or fractions higher than 75,000. Consequently, the city increased its number of councilors from 20 in 1991, to 28 in 1992, 35 in 1994, and 40 in 1997 (Pizarro Leongómez, Villarraga S., and Gutiérrez Sanín 1996; Instituto para el Desarrollo de la Democracia Luis Carlos Galán 2001, V.1).

A study intended at evaluating the impact of the institutional reform in the city, concluded that before 1991, Bogotá’s Council was tied to regional and national political networks; while after 1992, it has increasingly relied on smaller networks, closer to the localities in the city. According to the author the decentralization reform, it changed the profile of the city’s politics from the “politics of notables” to the “politics of plebeian” (García Sánchez 2001). The author refers to the fact that before 1992, those heading the electoral lists in Bogotá were notables that lent their name to give some prestige to lesser known politicians; the New Constitution banned the heading of several electoral lists by the same person, forcing the notables to choose where they wanted to put their name.

In addition to becoming more localized, it is said that the EOB favored the executive over the legislative when redefining functions in the city. The result is a Council with a reduced capacity

to access public resources, and therefore to maintain its clientele. One might expect that these assertions would be reflected in the electoral behavior of the *Bogotanos*. Table 49 presents a summary of the Council elections from 1988 to 2000.

**Table 49: Participation in Council Elections 1988-2000**

Year	Number of seats	Total votes	Participation	Abstention
			(%)	(%)
1988-1990	20	907494	57.6	42.4
1990-1992	20	847290	44.4	55.6
1992-1994	28	584732	26.3	73.66
1995-1997	35	741073	28.8	71.21
1998-2000	40	1274831	41.3	58.68

Source: Data from ILCG (2001)

The increase in abstention appears to confirm that the *Bogotanos* were not as interested in the Council after 1992 as before; nevertheless, this phenomenon went beyond the city council. As illustrated by Table 55 the level of abstention is very similar to the mayoral elections. It is useful to remember though that during the years after the New Constitution, there was a significant increase in political violence.

The lack of interest in the elections is interpreted by many as a confirmation of the low credibility of the political system. For years, people participated in regional and national elections without having real choices due to the National Front. Some suggest that this is the reason why the institutional reform have had no effect on the political composition of the Council, and that what had happened is that the traditional bipartisanship only reshaped itself in order to regain control (García Sánchez 2001; Pizarro Leongómez 2001).

In order to assess this argument, table 50 presents the distribution of seats and political participation percentage in the Council from 1988 to 2000.

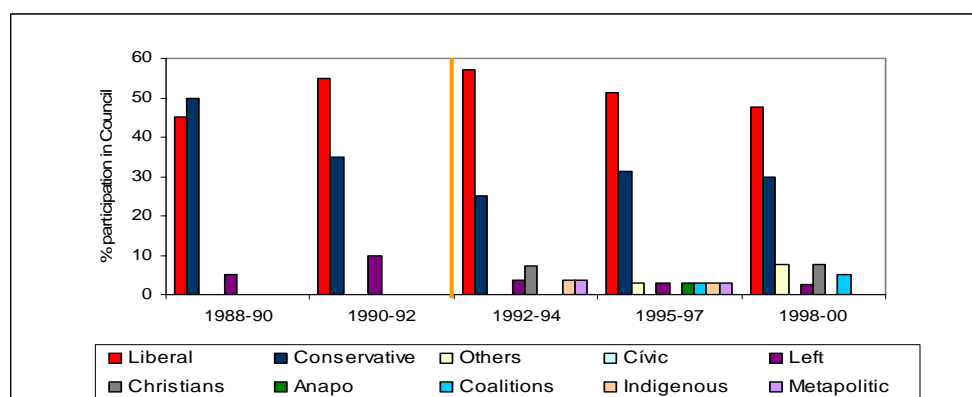
**Table 50: Political composition of the Council, 1988-2000**

Political Affiliation	Legislature									
	1988-1989		1990-1991		1992-993		1995-1997		1998-2000	
	Seats	%	seats	%	seats	%	seats	%	seats	%
Liberal	9	45	11	55	16	57.1	18	51.4	19	47.5
Conservative	10	50	7	35	7	25	11	31.4	12	30
Others	0	0	0	0	0	0	1	2.86	3	7.5
Civic	0	0	0	0	0	0	0	0	0	0
Left	1	5	2	10	1	3.57	1	2.86	1	2.5
Christians	0	0	0	0	2	7.14	0	0	3	7.5
Anapo <sup>142</sup>	0	0	0	0	0	0	1	2.86	0	0
Coalitions	0	0	0	0	0	0	1	2.86	2	5
Indigenous	0	0	0	0	1	3.57	1	2.86	0	0
Meta-politic	0	0	0	0	1	3.57	1	2.86	0	0

Sources: Data from ILCG (2001) and Registrars Office.

The Liberal party retained control in the Council and the Conservative party continued its decreasing trend, although it is still the second political force; overall, the Council continued to be bipartisan. Nevertheless, it is important to notice the appearance of new and significant political forces in the Council, if not in quantity of representation, certainly in quality.

In 1992, the indigenous movement obtained one seat; the Christians obtained two seats in 1992 and three in 1998, showing more promise than any other emerging force. Figure 38 illustrates the emergence of new forces in the Council.



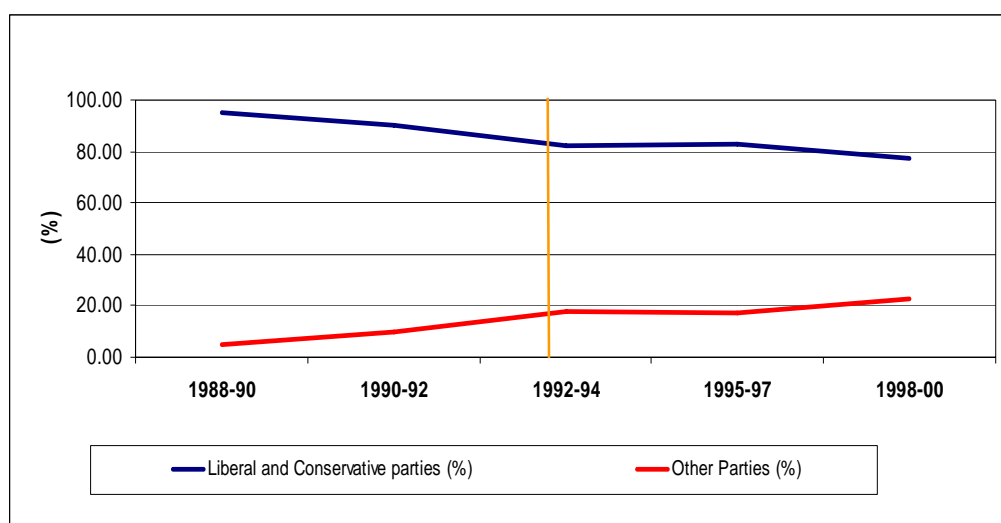
Source: data from Data from ILCG (2001) and Registrars Office

**Figure 38: Percentage participation in the City Council by political affiliation**

<sup>142</sup> Alianza Nacional Popular, a party affiliated with the inheritance of General Gustavo Rojas Pinilla.



It is too early to determine if the emerging political forces will survive or even grow; what is indeed undeniable is the changes in the pattern from before and after the reform. Between the 1990 and the 1992 elections, the number of representatives from political forces other than the two traditional parties almost doubled, rising from 10 percent to 17.86 percent, as illustrated by Figure 39.



Source: Data from ILCG (2001) and Registrars Office

**Figure 39: The relationship between bipartisanship and other parties, 1988-2000**

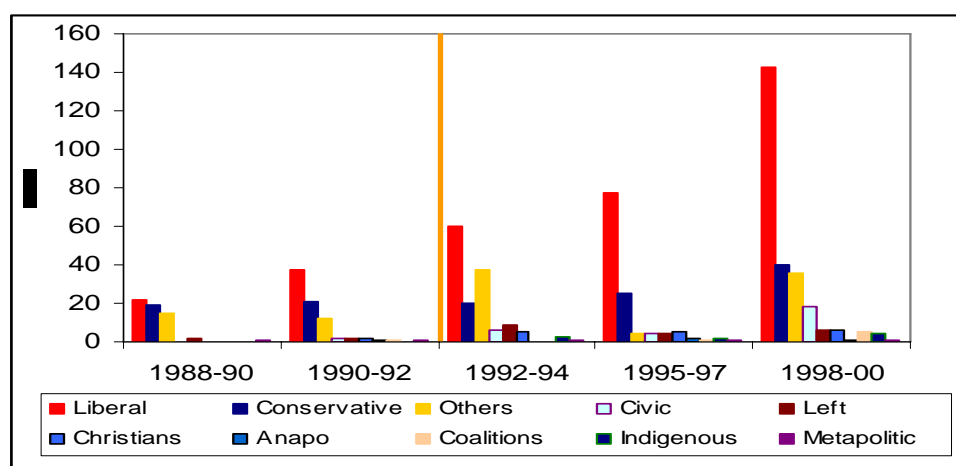
A third argument concerning the impact of the reform on electoral behavior is that the loosening of the requirements for registering a party, and handling endorsements, introduced by the New Constitution, multiplied the number of lists competing for a seat at the Council, deeply deteriorating their capacity for representation (Pizarro Leongómez 2002, 2001).

An alternative interpretation states that the increase in the number of lists also proves that, despite the prevalence of bipartisanship, there are emerging political forces that are in fact reshaping the traditional political practices; the two traditional parties have had to learn and accommodate to these new forces (Gutiérrez 1998). In summary, some interpret the fragmentation of the traditional parties as their strategy for survival, while others see it as a deliberate strategy.

Table 51 presents the number of lists competing at the City Council elections by political affiliation, figure 40 illustrates the distribution.

**Table 51: Number of electoral lists by political affiliation, Council 1988-2000**

Political Affiliation	1988-1990	1990-1992	1992-1994	1995-1997	1998-2000	total
<b>Liberal</b>	22	37	60	77	143	<b>339</b>
<b>Conservative</b>	19	21	20	25	40	<b>125</b>
<b>Others</b>	15	12	37	4	36	<b>104</b>
<b>Civic</b>	0	2	6	4	18	<b>30</b>
<b>Left</b>	2	2	9	4	6	<b>23</b>
<b>Christians</b>	0	2	5	5	6	<b>18</b>
<b>Anapo</b>	0	1	0	2	1	<b>4</b>
<b>Coalitions</b>	0	1	0	1	5	<b>7</b>
<b>Indigenous</b>	0	0	3	2	4	<b>9</b>
<b>Meta-politic</b>	1	1	1	1	1	<b>5</b>
<b>Total</b>	<b>59</b>	<b>79</b>	<b>141</b>	<b>125</b>	<b>260</b>	<b>664</b>



Source: Data from ILCG (2001) and Registrars Office.

**Figure 40: Number of electoral list by political affiliation, Council 1988-2000**

The Liberal party presents the highest increase in the number of lists at each election between 1988 and 2000, while the other forces are not so consistent. The data provides evidence that supports any of the aforementioned arguments, which in fact are not mutually exclusive. There is more fragmentation, and each councilor represents fewer constituents than before; yet, the presence of new forces necessarily introduces changes in the system. In addition, the emerging forces represent underrepresented groups, which add significance to their participation, despite their limited quantity.

Another problem, attributed to the increase number of lists participating in the elections, is that a high number of voters that do not vote; the electorate fluctuates among the many offers of what Pizarro called “electoral micro enterprises” (Pizarro Leongómez 2001, p.360). The emergence of many new entrepreneurs deepened the already troublesome fragmentation of the political parties (see, Gutiérrez Sanín 2001; Boudon 2000); in addition, the sustainability of the new political forces is very low. Therefore, many say that the efficiency of the electoral process, in terms of pairing the electorate’s preferences with representative Councilors is less than before (García Sánchez 2001, p.190). The efficiency of the electoral process, evaluated by the relation between the seats won and the number of lists registered, is presented in table 52.

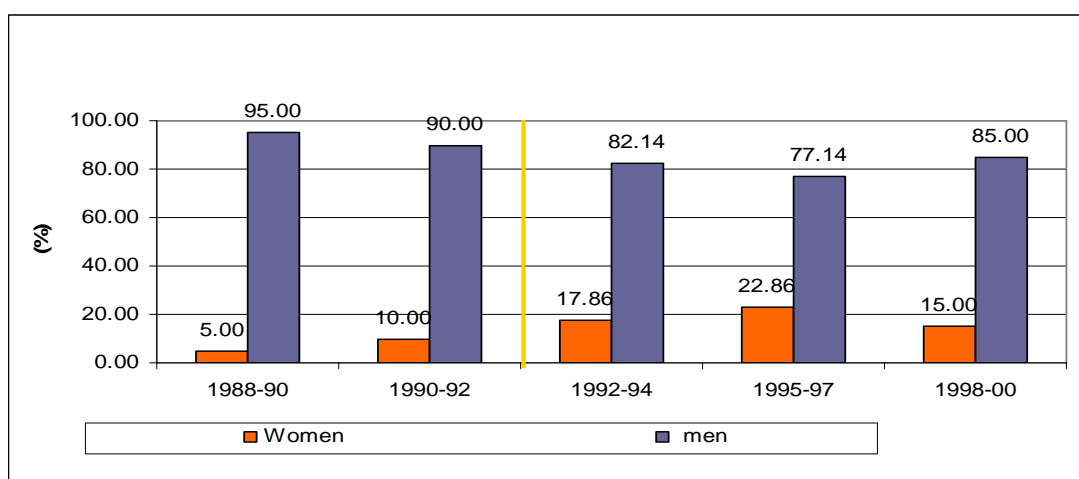
**Table 52: Electoral Efficiency of Political Parties and Movements, 1988-2000**

Political party or movement	1988-90		1990-1992		1992-1994		1995-1997		1997-2000	
	Seats /lists	Effic. %	Seats /lists	Effic. %	Seats /lists	Effic. %	Seats /lists	Effic. %	Seats /lists	Effic. %
<b>Liberal</b>	9/22	0.41	11/37	0.30	16/60	0.27	18/77	0.23	19/143	0.13
<b>Conservative</b>	10/19	0.53	7/21	0.33	7/20	0.35	11/25	0.44	12/40	0.30
<b>Others</b>	0/15	0.00	0/12	0.00	0/37	0.00	1/4	0.25	3/36	0.08
<b>Civic</b>	nl		0/2	0.00	0/6	0.00	0/4	0.00	0/18	0.00
<b>Left</b>	1/2	0.50	2/2	1.00	1/9	0.11	1/4	0.25	1/6	0.17
<b>Christians</b>	nl		0/2	0.00	2/5	0.40	0/5	0.00	3/6	0.50
<b>Anapo</b>	nl		0/1	0.00	NI		1/2	0.50	0/1	0.00
<b>Coalitions</b>	nl		0/1	0.00	NI		1/1	1.00	2/5	0.40
<b>Indigenous</b>	nl		nl		1/3	0.33	1/2	0.50	0/4	0.00
<b>Metapolitic</b>	0/1	0.00	0/1	0.00	1/1	1.00	1/1	1.00	0/1	0.00

Source: Data from ILCG (2001) and Registrars Office  
nl: not registered any list

Table 52 suggests that the number of lists registered is not necessarily directed related to an increase in the number of seats obtained. That is the case of the Leftist party, which increased its efficiency by decreasing the number of lists; the Meta-politic movement, which has always participated with only one list, also increased its relative efficiency. On the other hand, although the Liberal party maintains its majority in the City Council, it has been steadily losing efficiency. An important observation is the inscription of three lists from the indigenous in 1994; before, there is no official political representation of the indigenous population living in Bogotá.

Finally, gender participation appears to have improved, if considering the percentage of women in the City Council, as illustrated by Figure 41. It changed from five percent in 1988 to 15 percent in 1997; yet, it is still far from being equitable. Table 53 presents the number of men and women in the City Council from 1988 to 2000.



Source: Data from ILCG (2001) and Registrar's Office

**Figure 41: Gender participation in the City Council, 1988-2000 (percent)**

**Table 53: Number of men and women in the Council, 1988-2000**

	1988-90	1990-92	1992-94	1995-97	1998-00
<b>Seats available</b>	20	20	28	35	40
<b>Women</b>	1	2	5	8	6
<b>Men</b>	19	18	13	27	34

Source: Data from ILCG (2001) and Registrars' Office

**8.2.3.3 JAL elections** The constitutional reform of 1968 created the Juntas Administradoras Locales (JAL), local administrative boards to support the functions of the City Councils in the main cities of Colombia. However, it was not until the institutional reform of 1986 that Law 11 formally sanctioned the creation of the JALs, but left its practical institution in the hands of the of the Mayor. In 1991, the New Constitution mandated the JALs in Bogotá. In any other city,

this creation of the JAL was left to the discretion of the City Council (García Sánchez 2003, p.62).

The JAL is the most important formal institution created for promoting political decentralization; it was created as a layer of representation between the central government and the neighborhood, in order to enhance the political capacity of the localities and their relationship with the city as a whole. Therefore, the creation of the JALs was a strategy for both decentralization and democratization. Many claim that the JALs significantly enhanced the system of governance in the city, creating a clear shift after the reform. The examining of the local elections gives some evidence for testing this claim.

During the period covered by this study, Bogotá held three local elections, in 1992, 1994, and 1997; in each occasion, the *Bogotanos* elected 182 *ediles*. The first and most salient aspect of the local elections is the level of dispersion among the interests represented, from lists representing traditional parties, to those representing neighborhoods, age groups, religious groups, and many others. The result was a very high number of electoral lists, representing a wide political spectrum; Table 54 presents the number of list registered in each election by political party or affiliation.

**Table 54: Number of list participating in local elections: 1992, 1994, and 1997**

Political party or affiliation	1992	1994	1997
Liberal	452	932	1336
Conservative	203	363	430
Others	267	89	254
Civic	230	47	125
Left	66	48	52
Christian	77	40	82
Anapo	0	20	14
Coaliciones	4	0	32
Indigenous	3	26	50
Meta-politic	17	14	18
<b>TOTAL</b>	<b>1319</b>	<b>1579</b>	<b>2393</b>

Source: Data from ILCG (2001) and Registrars' Office

The number of lists has two main interpretations; first, the opening of this new political space attracted diverse political forces, whether they presented themselves as political or not, and therefore increased the inclusiveness of the system. Alternatively, the indiscriminate

participation reflects the existence of a “mercenary” political culture, which supports any candidate in search of capitalizing on this new space.

It is my contention that these interpretations are not mutually exclusive. There are interest groups that found representation for the first time in the local elections, and there are certainly those that tried to enter this political space to advance traditional political agendas. The existence of divergent interests is not the problem; the problem is a lack of capacity of the system to provide mechanisms for debating and building consensus on the public good.

How did the electorate respond? The level of participation in the local elections presents a very similar pattern to the elections for both Mayor and Council; however, it is concerning is the extremely high level of abstention. Interestingly enough, the increase in participation in local elections is higher than the increase in the other two.

The JAL appear to have enough legitimacy if evaluated by the electorate response. The review of participation by locality illustrates the increased interest in the JAL, which grew at a higher rate than the mayoral and councilor elections.

To illustrate this tendency, tables 55 presents a comparison of the level of abstention in the elections for Mayor, City Council and JALs in 1992, 1994 and 1997. Table 56 presents the level of participation and abstentions by locality.

**Table 55: Level of abstention in Bogotá**

<b>Elections</b>	<b>1992</b>	<b>1994</b>	<b>1997</b>
<b>Mayoral</b>	73.75%	70.23%	57.27%
<b>Council</b>	73.66%	72.00%	58.90%
<b>JAL</b>	71.11%	67.38%	49.66%
<b>Electoral potential</b>	1,917,673	2,182,574	2,449,104

Source: Data from ILCG (2001) and Registrars' Office

**Table 56: Electoral participation in the localities**

	<b>1992</b>		<b>1994</b>		<b>1997</b>	
<b>Locality</b>	<b>Participation (%)</b>	<b>Abstention (%)</b>	<b>Participation (%)</b>	<b>Abstention (%)</b>	<b>Participation (%)</b>	<b>Abstention (%)</b>
<b>Antonio Nariño</b>	30.46	69.54	37.11	62.89	45.60	54.40
<b>Barrios Unidos</b>	31.05	68.95	33.58	66.42	50.85	49.15
<b>Bosa</b>	23.05	76.95	28.99	71.01	46.72	53.28
<b>Chapinero</b>	36.12	63.88	34.32	65.68	51.72	48.28
<b>Ciudad Bolívar</b>	29.30	70.70	31.87	68.13	50.68	49.32
<b>Engativá</b>	27.12	72.88	31.71	68.29	51.67	48.33
<b>Fontibón</b>	26.34	73.66	32.63	67.37	50.39	49.61
<b>Kennedy</b>	28.55	71.45	32.54	67.46	51.29	48.71
<b>La Candelaria</b>	27.90	72.10	32.76	67.24	55.06	44.94
<b>Los Mártires</b>	30.48	69.52	37.93	62.07	48.62	51.38
<b>Puente Aranda</b>	28.94	71.06	34.50	65.50	52.51	47.49
<b>Rafael Uribe</b>	27.88	72.12	28.72	71.28	48.55	51.45
<b>San Cristobal</b>	28.24	71.76	33.99	66.01	48.43	51.57
<b>Santafé</b>	27.53	72.47	32.49	67.51	43.55	56.45
<b>Suba</b>	29.38	70.62	33.09	66.91	52.92	47.08
<b>Sumapaz</b>	55.93	44.07	63.04	36.96	69.36	30.64
<b>Teusaquillo</b>	32.88	67.12	34.96	65.04	50.26	49.74
<b>Tunjuelito</b>	23.42	76.58	28.16	71.84	43.51	56.49
<b>Usaquén</b>	31.30	68.70	30.53	69.47	52.01	47.99
<b>Usme</b>	27.58	72.42	34.93	65.07	42.51	57.49
<b>Total</b>	<b>30.17</b>	<b>69.83</b>	<b>34.39</b>	<b>65.61</b>	<b>50.31</b>	<b>49.69</b>

Source: Data from ILCG (2001) and Registrar's Office

The efficiency of the political forces participating in the local elections, calculated by the number of candidates that are elected in relation to the number of lists registered, deteriorated. Of the 5,291 lists registered in the three elections, only 552 were elected, representing only 10.43 percent. In other words, 76.28 percent of the votes were useless. Table 57 presents the level of efficiency.

**Table 57: Electoral efficiency JAL elections**

<b>Year</b>	<b>Number of lists</b>	<b>Number of seats</b>	<b>Efficiency (%)</b>
<b>1992</b>	1,319	184	13.95
<b>1994</b>	1,579	184	11.65
<b>1997</b>	2,393	184	7.69

Source: Data from ILCG (2001) and Registrars' Office

The level of fragmentation affects not only the traditional parties but also the emerging forces, which indicates that this feature of the Colombian political culture is mirrored at the local level. Table 58 presents the level of efficiency by political party.

**Table 58: Political efficiency by political force in local elections**

Political Affiliation	1992			1994			1997		
	List	Seats	Efficiency	Lists	Seats	Efficiency	Lists	Seats	Efficiency
Liberal	452	71	15.71%	932	101	10.84%	1336	85	6.36%
Conservative	203	35	17.24%	363	43	11.85%	430	40	9.30%
Others	267	24	8.99%	89	19	21.35%	254	35	13.78%
Civic	230	26	11.30%	47	8	17.02%	125	12	9.60%
Left	66	15	22.73%	48	8	16.67%	52	5	9.62%
Christian	77	6	7.79%	40	1	2.50%	82	5	6.10%
Anapo	0	0		20	1	5.00%	14	0	0.00%
Coalitions	4	4	100.00%	0	0		32	2	
Indigenous	3	0	0.00%	26	3	11.54%	50	0	0.00%
Meta-politic	17	3	17.65%	14	0	0.00%	18	0	0.00%

Source: Data from ILCG (2001) and Registrar's Office

The lack of aggregation represents an advantage, at least initially, for the two traditional parties, as they have the expertise for reaching the electorate. Table 59 presents the composition of the JALs by political affiliation.

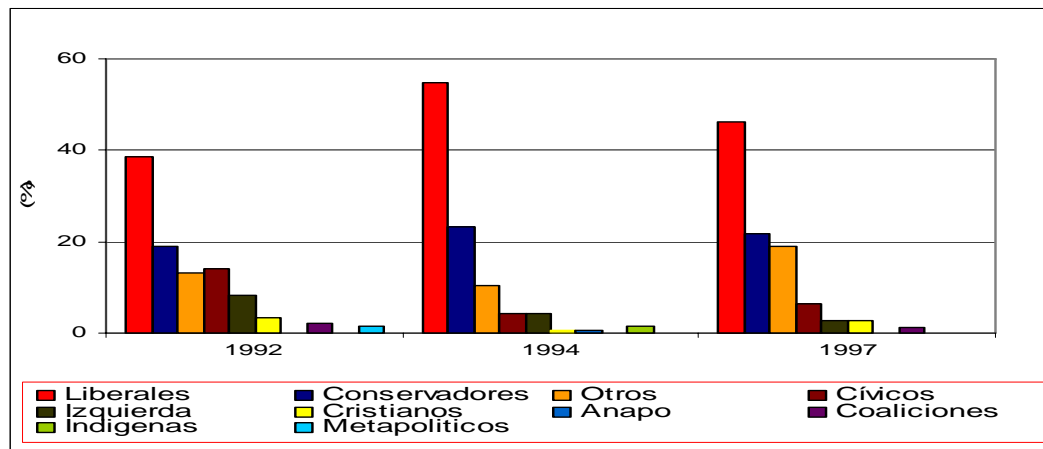
**Table 59: JAL composition by political affiliation**

Political Affiliation	1992	1994	1997
<b>Liberal</b>	38.59	54.89	46.20
<b>Conservative</b>	19.02	23.37	21.74
<b>Others</b>	13.04	10.33	19.02
<b>Civic</b>	14.13	4.35	6.52
<b>Left</b>	8.15	4.35	2.72
<b>Christian</b>	3.26	0.54	2.72
<b>Anapo</b>	0.00	0.54	0.00
<b>Coalitions</b>	2.17	0.00	1.09
<b>Indigenous</b>	0.00	1.63	0.00
<b>Meta-politic</b>	1.63	0.00	0.00

Source: Data from ILCG (2001) and Registrars Office



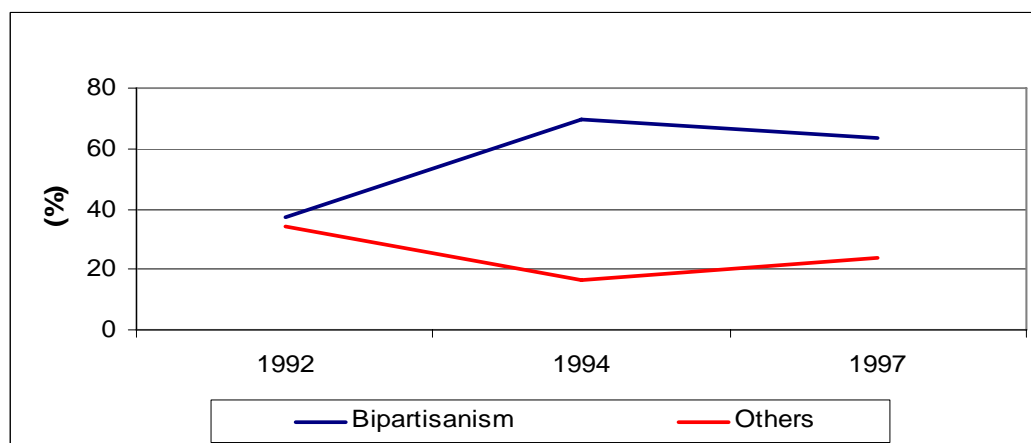
Evidence points to the fact that traditional parties were able to canalize the sub-local electorate. Figure 42 illustrates the political composition of the JAL.



Source: Data from ILCG (2001) and Registrar's Office

**Figure 42: Political composition JAL**

A study conducted on the 1997 elections, showed there is not yet enough power on the side of new movements to overcome the control mechanisms that were in place before the reform; even though there is freedom of vote there is no freedom of election (Medellín 1998). Because of that, bipartisanship is also the political dominant force at the local level. Figure 43 illustrates this trend.



Source: Data from ILCG (2001) and Registrars Office

**Figure 43: Bipartisanism vs. other political forces at the JAL**

The dominance of the bipartisan forces is not surprising, and it is too early to predict if bipartisanism will gain complete control at the local level and regain control over the City Council, or if the city will start developing a multi-partisan system. Another possibility is that the internal differences within the traditional parties might produce, as it did in the past, the emergence of qualitatively different dissident groups.

Finally, the introduction of local elections have enlivened local politics. People participate more using both new and old mechanisms of participation. The local level is also more important than before because now it is the base for building clienteles that will be mobilized not only for the local, but also for regional and national elections. As mentioned by Gutiérrez Sanín, clientelism is but an intermediation system in place that has functionalities (Gutiérrez Sanín 1998, 2001, 2001). Despite its well-known faults, clientelism it has also been a strategy for the redistribution of political power.

#### **8.2.4 Final remarks on participation**

Bogotá has, as a result of the decentralization reform promoted by the New Constitution of 1991, more laws and mechanisms promoting participation than before. There are also embryonic alliances between the State, the private sector and the third sector, that fit into the emerging patterns described by the new governance paradigm. Traditionally excluded groups such as religious, minorities', gender groups have begun to appear on the city's political scene. Nevertheless, what one might question is the quality of participation. Are the new laws, mechanisms, alliances, and interests groups having a real impact on the system of governance in the city; is the distribution of power within the system changing?

In addition, the more people who participate, the greater their expectations and demands for closing the gap between their aspirations and their achievements. Because of that, unless people perceive that the investment of trust and time in the system produced identifiable results, participation would only be another shell without content, and the result, in the political life of the city, would be the opposite as desired.

In Bogotá, it appears that participation was creating a positive response among its citizens. A research study on the impact of participation found that Bogotá was the only municipality in the

country in which people perceived that participation has had a positive impact in the reduction of corruption and clientelism (Velásquez C. and González R. 2003, 347.)

In addition, it is expected that participation improved the city's political capacity, understood as the capacity to negotiate and build consensus about complex, conflicting and sometimes divergent interests and issues. According to the same study, there is evidence of the advancement of collective over personal interests (Velásquez C. and González R. 2003, p.343).

Certainly, there is more to say about the city after 1991, there have been two processes of participatory planning, three elections of local representatives, the emergence of new political forces in every instance of local government, and there is more knowledge about public issues than before. Citizens recognize the institutional effort but doubt its consistency; the city's administrations have supported participation but it has not been a priority for any of them. A study on participation in the city found that 59.2 percent of the *Bogotanos* perceived that the support from the central administration for participation was irregular (Velásquez C. 2003, p.331).

The final balance, according to the same study, is an uneasy combination of satisfaction and disenchantment. The satisfaction is for all that has been accomplished, gaining consciousness about collective issues, better knowledge of the city, and interactions with diverse groups and people. The disenchantment is for what has not been accomplished, for the unevenness of the process, for the gap between the offer of participation and the actual results achieved by doing so, and for the lack of capacity of all players for building consensus (Velásquez C. 2003, pp.335-336).

Participation increased significantly in the city; nevertheless, it was designed and proposed through a top-down approach, which corresponds to a more technical than empowerment-oriented conceptualization of participation (Guijt and Shah 1998). The proposal was not discussed with the citizens, and did not search for, recognize, or celebrate forms and structures of organization and participation that already existed in the localities. In addition, the expectations of those promoting the reform often blinded them from recognizing the needs, values, ideals, and potential of the people. The political capital accumulated through years of participation was not recognized, nor invested.

### 8.3 EQUITY

*“Distributions-whether of goods and services, wealth and income, health and illness, or opportunity and disadvantage- are at the heart of public policy controversies”* (Stone 1997, p.39), and one may add at the heart of public policy practices. How a society manages distributions determines not only its level of equity, but also its political and social sustainability. Theoretically, in a democracy, the sharing of power leads to equity in the access to and use of resources.

Equity is one of the basic principles of the Global Campaign on Urban Governance, which aims to eradicate poverty through improved urban governance (UN-HABITAT 2000a, p.13). *“Through good governance, citizens are provided with the platform which will allow them to use their talents to the fullest to improve their social and economic conditions”* (HABITAT 2000, p.13). The campaign is based on the assumption that a society’s well-being depends on ensuring that all its members feel that they have a stake in it and do not feel excluded from mainstream society. Equitable cities should provide everyone with equal access to decision-making processes and the basic necessities of urban life - nutrition, education, employment, and shelter (UN-HABITAT 2000; Hall and Pfeiffer 2000). Accordingly, equity is a key variable of good governance, and decentralization a key strategy in the promotion of equity (UN-HABITAT 2000a, p.5-15).

This section reviews a series of indicators that measure the level of equity, in order to evaluate the impact of the decentralization reform in Bogotá. The definition for equity adopted for this study is that equity refers to the equal access to opportunities for improving and maintaining well-being in a society, but especially for those most vulnerable.

The indicators are:

- Percent reduction in the population living below the poverty line
- Reduction in income distribution
- Improvement in access to employment/reduced participation in the informal sector
- Amount of money directed towards social investment
- Percent increase in service coverage
- Percent increase in the homeowner population or access to housing programs
- Percent reduction in the number of street children and homeless

- Budget and programs for the displaced
- Existence (or not) of information on differential situation and needs of women and men; gender perspective<sup>143</sup>
- Percent and/or total increase in women's representation in government and boards
- Explicit or implicit utilization of equity as a criteria for prioritizing or investing

### 8.3.1 Poverty and Inequality

In 1985, based on the UBN index, Bogotá had the lowest percentage of poor in the country, 23.5 percent; yet, it had the highest absolute number of poor, 928,414 people living with unsatisfied basic needs (UBN) (Yepes A. et al. 1989, p.19). By the year 2000, 804,136 people lived with UBN, representing 12.4 percent of the city's population (SHD 2003a, p.15). Poverty in the city, if measured by the UBN index, shows a steady improvement; nevertheless, other indexes of poverty show a different result. That is the reason why, in order to evaluate the changes in poverty in Bogotá, and considering the limitations of the information available, three different methods of measuring poverty were reviewed: the unsatisfied basic needs method (UBN), the poverty line method (PL), and the human development index method (HDI).

The UBN method measures material well-being in its multiple dimensions, such as nutritional and health status, life expectancy, education and housing conditions; those who have two or more UBN are considered to be in condition of misery (Fundación Corona 2003, p.5).

The PL method is based on the minimum per capita income required to afford the *canasta familiar*, family basket; people who are below the poverty line are considered to be at risk of not surviving (Fresneda B., Sarmiento Anzola, and Muñoz 1991, p.21). As a reference, in 1985, the calculated income for the PL was \$ 3,006.3 Colombian pesos, in the year 2001 it was \$217,327 Colombian pesos (Fresneda B., Sarmiento Anzola, and Muñoz 1991, p.278). For the year 2001, those having an income of \$75,065 Colombian pesos (around 40 US dollars) or less were considered to be under the poverty line, (SHD 2003a, p.15).

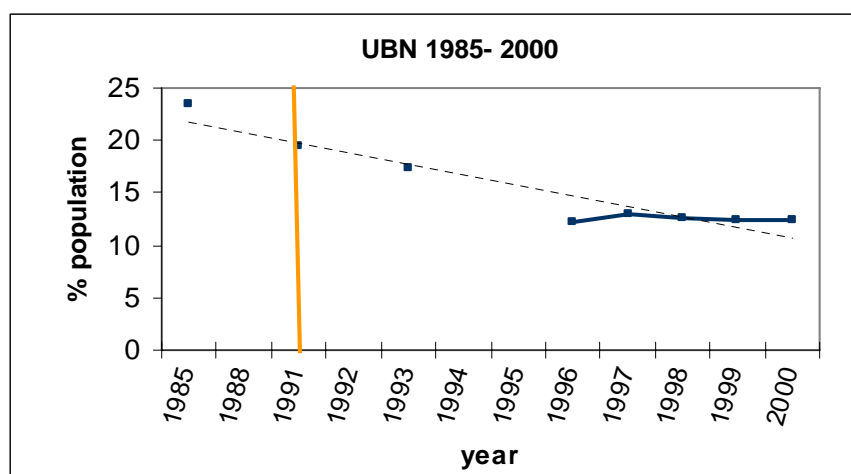
Finally, the human development Index (HDI) is a composite index of poverty that measures adult literacy, education, life expectancy, and other factors, which has been used since 1993 by

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<sup>143</sup> Just the fact of including a mention to gender was considered an indication of improvement, as gender policies are very underdeveloped in most institutions in Bogotá.

the United Nations Development Programme. In 1989, the UNDP, in collaboration with UNICEF, the DNP, and the mayorship of Bogotá, published a study on poverty in Bogotá, which used the UBN index<sup>144</sup> and the census data from 1985. According to the study, in 1985, 23.5 percent of Bogotá's population, or 928,414 people, lived with unsatisfied basic needs (UBN), and 6.2 percent of Bogotá's population, 245,315 people, lived in “misery” conditions. Misery was defined as living in overcrowded units, with more than 3 people per room, and having high economic dependence, more than three dependants per employed person (Yepes A. et al. 1989, p.20).

In 1993, 17.2 percent of Bogotá's population lived with UBN. This number decreased to 14.5 percent in 1999 and 12.4 percent in 2000, but had increased to 13.4 percent by 2001 (SHD 2003a, p.15). A study by *Bogotá Como Vamos*, showed that there are important differences in the level of UBN within the city; six localities presented a higher index than the city's average, *Ciudad Bolívar, Usme, San Cristóbal, Bosa, Santa Fé, and Rafael Uribe Uribe* (Fundación Corona 2003). Figure 44, presents the trend in poverty in Bogotá according to the UBN index.

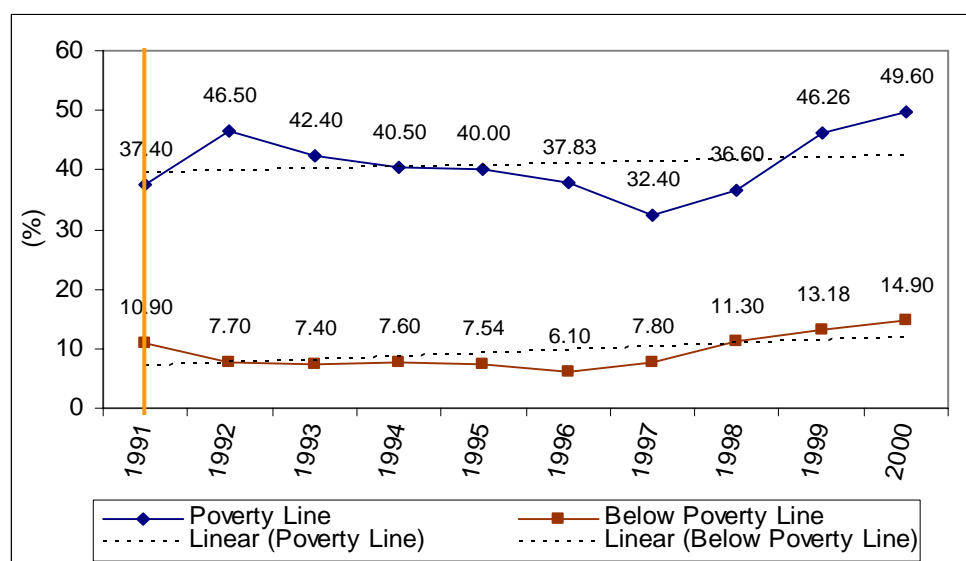


Source: data from (Yepes A. et al. 1989; Fundación Corona 2003; SHD 2003)

**Figure 44: Trend of poverty by UBN in Bogotá, 1985-2000**

<sup>144</sup> Five necessities were assessed in this study: quality of housing, access to water and sanitation, number of people living in a housing unit, economic dependency, and school-age children attending school. The data on Bogotá's population was provided by the census of 1985 (Yepes A. et al. 1989).

Poverty in Bogotá measured by the number of people living in or under the poverty line (PL), increased significantly in the 1990s. The first reference available is dated in 1991, when Bogotá had 37.4 percent of its population living in the poverty line; in 1993, it increased to 42.4 percent and in the same year, 7.7 percent of the population lived under the poverty line. In 2000, 49.6 percent of Bogotá's population lived in the poverty line and 14.9 percent under the poverty line (SHD 2003a, p.15). Figure 45 illustrates the percentage of people living in poverty, and below the poverty line, from 1991 to 2000.



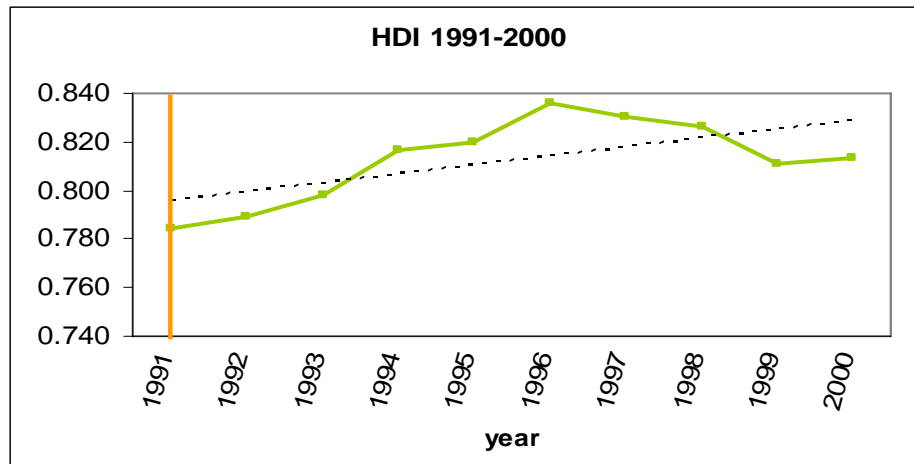
Source: data from (Yepes A. et al. 1989; Fundación Corona 2003; SHD 2003)

**Figure 45: Trend in poverty by PL and UPL, 1991-2000**

This trend shows the opposite direction that is evident when poverty is measured by the UBN index. The inexistence of data from before does not permit us to examine historical trends, but the increase in poverty (as measured by income) supports the conclusions from measuring other indicators such as inequality and employment.

Finally, in regards to poverty measured by the HDI, between 1991 and 1996, Bogotá presented a steady improvement, from 0.784 to 0.836; between 1996 and 1999, it deteriorated, from 0.836 to 0.811, and it had a small recovery in 2000, when it rose to 0.813 (Fundación Corona 2003, p.7; SHD 2003a, p.15). Because the HDI was developed in 1991, there is no data available from before this year.

Figure 46 illustrates the poverty trend according to the HDI.



Source: data from (Yepes A. et al. 1989; Fundación Corona 2003; SHD 2003)

**Figure 46: Trend in poverty by HDI, 1991-2000**

All poverty indexes except the actual poverty line (PL) showed an improvement in the equity of the city, which is consistent with evidence from examining the process of decentralization. The city has improved its infrastructure and offers better services coverage; Table 60 summarizes the indexes reviewed.

**Table 60: Poverty in Bogotá, 1985-2000**

	% Population Poverty Line	% Population UPL	HDI	UBN
1985				23.45
1988				
1991	37.40	10.90	0.784	19.51
1992	46.50	7.70	0.789	
1993	42.40	7.40	0.798	17.30
1994	40.50	7.60	0.817	
1995	40.00	7.54	0.820	
1996	37.83	6.10	0.836	12.17
1997	32.40	7.80	0.830	12.96
1998	36.60	11.30	0.826	12.54
1999	46.26	13.18	0.811	12.44
2000	49.60	14.90	0.813	12.40

Source: (Fundación Corona 2003; SHD 2003; Fresneda B., Sarmiento Anzola, and Muñoz 1991) DANE: ENH.



An important caveat for understanding the relevance of the income-related indexes is that most of the city's population depends on earnings from a job; any deterioration in income directly reflects changes in the labor market and/or in the distribution system in the city. The security and quality of income has greatly deteriorated, which has been aggravated by the increase in the income distribution gap. When measured by income distribution, Bogotá is the most unequal city in Colombia; a report from 2003 stated that 80 percent of the employed population earned less than two minimum wages, and the wage gap has continued to increase (Cámara de Comercio de Bogotá 2003, p.12).

A common measure of income distribution is the GINI coefficient, which calculates the equality income by dividing the total income in the city among the working population. The GINI's scale goes from zero (0) for a perfect distribution to one (1), meaning the total concentration of income in just one person. Bogotá shows an increasing level of concentration of income, which means that less people are getting access to goods and services. Table 61 shows the GINI index for the city and the country from 1988 to 2000

**Table 61: GINI index, Bogotá and Colombia, 1988-2000**

Year	GINI Index	
	Bogotá	Colombia
1988	0.435	0.55
1991	0.453	0.55
1992	0.432	0.56
1993	0.484	0.56
1994	0.416	0.56
1995	0.510	0.55
1996	0.508	0.54
1997	0.519	0.56
1998	0.559	0.563
1999	0.564	0.56
2000	0.561	0.56

Source: Cuadernos de Ciudad, Serie Equidad y Bienestar No.2 (SHD 2003a)

The increasingly disproportionate distribution of income is confirmed by examining the city's quintiles distribution. By 1985, the city's poorest quintile earned 3.0 percent of the city's income, while 51.4 percent was earned by the richest quintile; by 2000, the poorest quintile's share was reduced to 2.3 percent, while the richest quintile's increased to 63.5 percent. What the

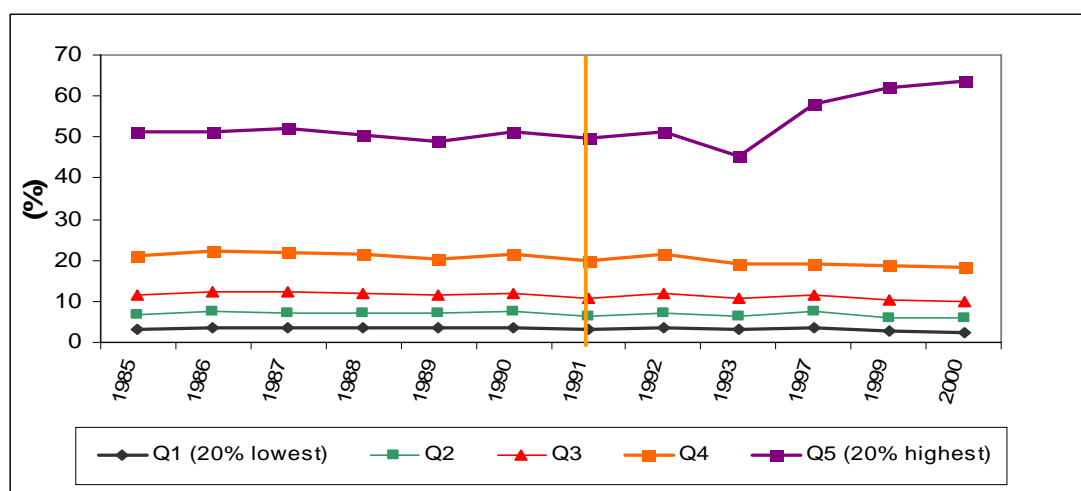
quintile distribution shows is that those earning the highest income get approximately 64 times what is paid to those with the lowest income (Fundación Corona 2003). Table 62 and Figure 47 illustrate the deterioration in the distribution of income from 1985 to 2000.

**Table 62: Distribution of Income by Quintile in Bogotá, 1985-2000**

	Q1 (20% lower)	Q2	Q3	Q4	Q5 (20% higher)
1985	3.0	6.7	11.4	20.9	51.4
1986	3.6	7.6	12.5	22.2	51.5
1987	3.4	7.2	12.2	22.0	52.0
1988	3.5	7.2	11.8	21.3	50.7
1989	3.4	7.0	11.4	20.3	49.0
1990	3.6	7.4	12.1	21.5	51.3
1991	3.0	6.4	10.9	19.9	49.8
1992	3.4	7.1	11.8	21.3	51.4
1993	3.1	6.5	10.9	19.1	45.3
1994	n.d	n.d	n.d	n.d	n.d
1995	n.d	n.d	n.d	n.d	n.d
1996	n.d	n.d	n.d	n.d	n.d
1997	3.7	7.5	11.7	19.1	58.1
1998	n.d	n.d	n.d	n.d	n.d
1999	2.6	6.1	10.4	18.8	62.2
2000	2.3	5.8	10.1	18.3	63.5

Source: data from DAPD.

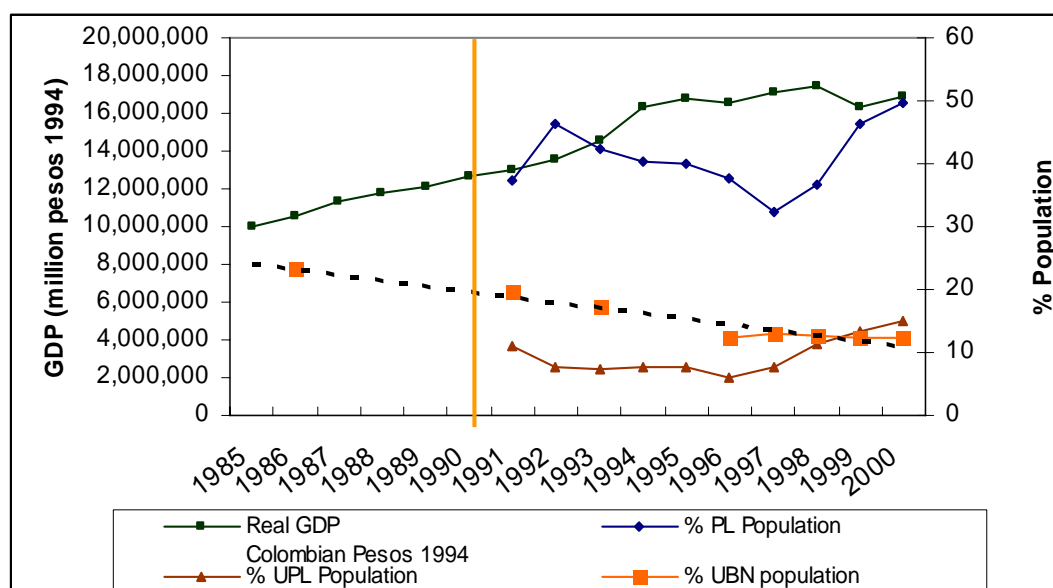
n.d. = non data available



Source: data from DAPD

**Figure 47: Quintile income distribution in Bogotá, 1985-2000**

The data indicate a deterioration in the income of the 3<sup>rd</sup>. and 4<sup>th</sup> quintiles, corresponding to the segment of population that earns around 2 and 5 minimum salaries, which is a signal of the pauperization of the city's middle class (SHD 2003, p.10). Several analysts attribute the increase in poverty, measured by PL, to the economic recession of 1998 and 1999 (Fainboim and Angulo 2003, p.2); nevertheless, when observing the data, this statement is not confirmed, as illustrated by Figure 48.



Source: Cuadernos de Ciudad, Serie Equidad y Bienestar No.2 (SHD 2003a), DANE. Cálculos SHD.

**Figure 48: Relationship between GDP and poverty in Bogotá, 1985-2000**

As illustrated by Figure 48, the relationship between economic growth and poverty is directly proportional only when poverty is measured by the UBN index; if measured by the PL index, it is not consistent. From 1997 on, the GDP shows a slow but steady increase and so do the percentage population in PL and UPL; it would be necessary to trace the trend from 2000 to 2005 to see how it has evolved. Finally, as poverty and inequality in Bogotá are closely related to the level and quality of the available employment opportunities; it is necessary to review what has happened in the labor market from the 1980s to 2000.

### 8.3.2 Employment, unemployment and “el rebusque”<sup>145</sup>

One of the key determinants of the level of poverty in Bogotá, as mentioned before, is the increase in the level of unemployment and the deterioration in the quality of the available employment. Several factors influenced the increase in the population seeking employment. First, the age composition of the city’s population changed as more people reached the legal working age. Other factors include the increase of women participation in the labor market, the need to have more family members in the labor market to cope with the cost of living, and finally, the increase in the number of IDPs, *desplazados*, arriving in the city.

The working-age population (WAP) <sup>146</sup>, has steadily risen from representing 73.1 percent of the total population in 1976 to 77.7 percent in 1999. Table 63 presents the increase in the WAP from 1980 to 1999.

**Table 63: Working age population growth in Bogotá, 1980-1999**

Year	Total Population (TP)	WAP	WAP% of TP	Growth Rate	
				TP	WAP
1980	3,545,909	2,589,223	73	3.2	3.2
1986	4,275,799	3,230,800	75.6	3.1	3.7
1991	4,775,281	3,588,749	75.2	2.2	2.1
1996	5,867,697	4,574,940	78	4.1	4.9
1999	6,294,072	4,891,183	77.7	2.3	2.2

Source: (Gutiérrez, Mejía, and Díaz 2000)

The increase in the working age population has been aggravated by the arrival into the city of immigrants and desplazados (IDP). As mentioned before, it is estimated that between 1985 and 2002, 480,000 IDP arrived in Bogotá, which represents 23 percent of the total displaced population in Colombia. Finally, the expansion of Bogotá’s labor force has also been a

<sup>145</sup> *Rebusque* in Bogotá refers to any informal and usually temporary activity that provides an income. It is derived from the verb BUSCAR (to search) and refers to a desperate indiscriminate search for money.

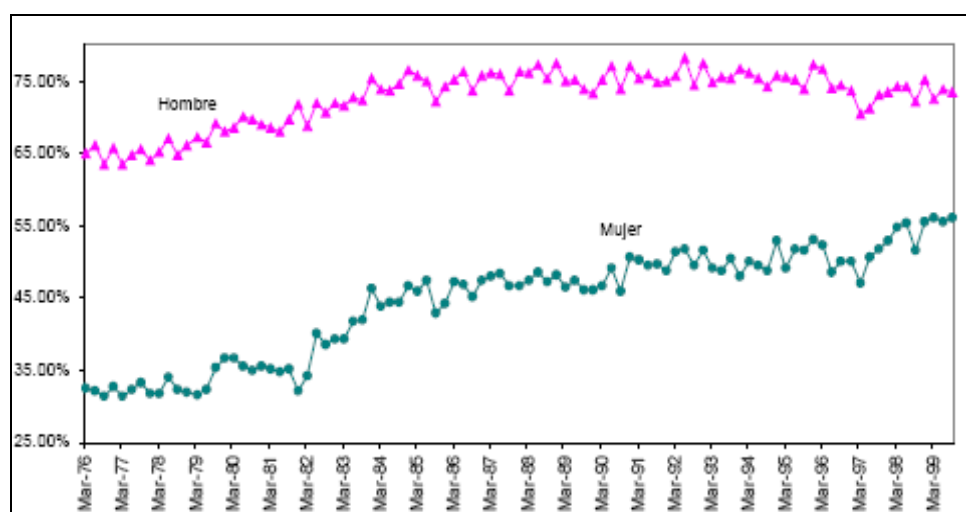
<sup>146</sup> *Working Age Population (WAP)*: Persons twelve years or older

*Economically Active Population*: Persons who are in the population in age of working who are working or looking for work

*Economically Inactive Population*: Those that do not participate in the production of goods and services because they do not need to, they cannot work or are not interested in having a salaried activity.

*Unemployed*: Persons who have looked for work in the last calendar year and are still interested in working, or, and persons who are looking for work for the first time.

consequence of the increase in women's rate of participation in the labor market. Between 1976 and 1999, women's share of the economically active population (EAP) increased from 37 percent to 48 percent (Maruri 2001, p.27). In addition, women's global participation rate (GPR)<sup>147</sup> in the employment market grew from 31.3 percent in 1976 to 55.4 percent in 1999; compared with a GPR for men of 63.5 and 73.7 percent, respectively (Gutiérrez, Mejía, and Díaz 2000, p.14). Figure 49 illustrates the GPR for men and women from 1976 to 1999.



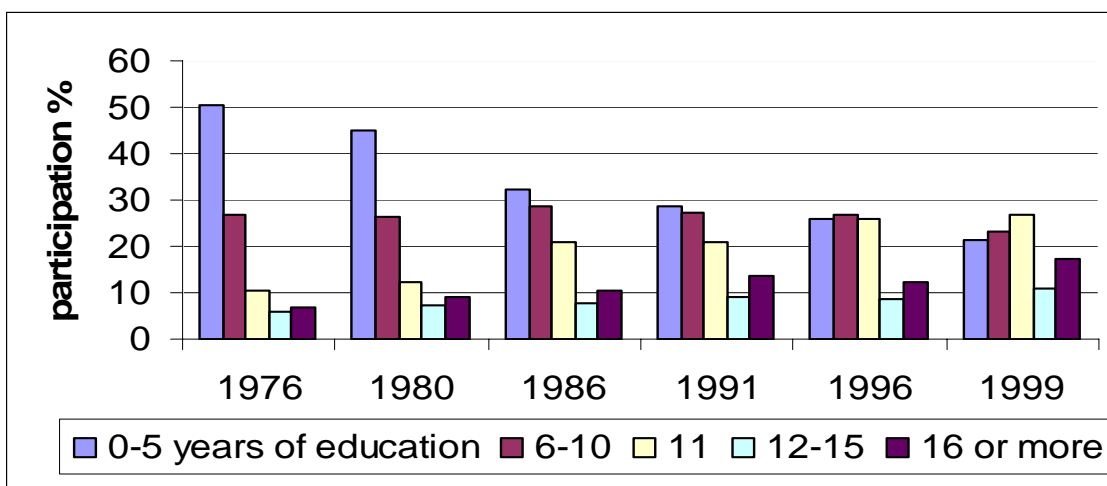
Source: El mercado laboral de Santa Fe de Bogotá 1976 – 1999 (Gutiérrez, Mejía, and Díaz 2000, p.8)

Men Women

**Figure 49: GPR by gender, 1976-1999**

Regarding the participation in the labor market by years of education, the city presents a similar trend with the country. The economy has changed to favor those more educated. This could mean that the city has had a change in its productive structure, that more educated people are willing to take less qualified jobs, or that they city has improved access to education. Considering Bogotá's economic profile, the second reason appears most likely. Nevertheless, Bogotá offers a more balanced access to the job market by years of education than the country, as illustrated by Figure 50.

<sup>147</sup> Global Participation Rate indicates the percentage of a particular segment of the population in the labor market available to those in working age (WAP).



Source: data from SHD, (Gutiérrez, Mejía, and Díaz 2000, p.9)

**Figure 50: EAP, participation by years of school, 1976-1999**

Employment and economic growth do not show a positive relation as illustrated by figure 51.



Source: data from SHD, (Gutiérrez, Mejía, and Díaz 2000, p.9)

**Figure 51: Employment and GDP growth, 1986-2000**

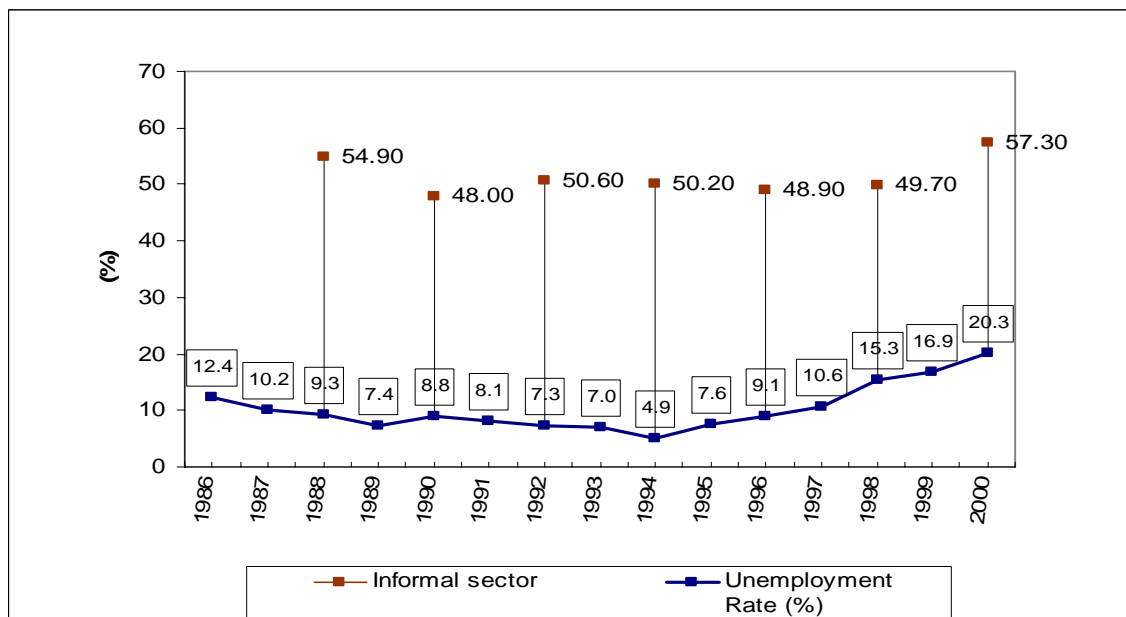
The unemployment rate rose to 20.3 percent in 2000, while the number of individuals working in the informal sector, rose from 49 percent in 1996 to 57.8 percent in 2000 (Maruri 2001, p.29). Table 64 presents as summary of the labor market behavior in Bogotá from 1986 to 2000

**Table 64: Bogotá's labor force structure, 1986-2000**

Year	Total Population ( September each year)	Unemployed population	Unemployment Rate (%)	Economic Active Population	Employed population	EAP - Crude Participation Rate* (%)	Informal sector
1986	4,191,421	233,923	12.4	1,883,584	1,649,661	44.94	
1987	4,248,884	199,377	10.2	1,962,729	1,763,352	46.19	
1988	4,292,514	190,935	9.3	2,054,321	1,863,386	47.86	54.90
1989	4,338,729	153,712	7.4	2,075,876	1,922,164	47.85	
1990	4,385,363	184,784	8.8	2,091,013	1,906,229	47.68	48
1991	5,045,108	180,072	8.1	2,211,034	2,030,962	43.83	
1992	5,203,325	166,472	7.3	2,279,943	2,113,471	43.82	50.60
1993	5,355,980	164,343	7.0	2,342,120	2,177,777	43.73	
1994	5,517,421	128,031	4.9	2,602,965	2,474,934	47.18	50.20
1995	5,678,342	170,135	7.6	2,721,053	2,550,918	47.92	
1996	5,815,508	290,298	9.1	2,810,212	2,519,914	48.32	48.90
1997	5,956,993	289,331	10.6	2,926,862	2,637,531	49.13	
1998	6,112,194	388,753	15.3	2,926,236	2,537,483	47.88	49.70
1999	6,276,428	589,293	16.9	3,104,809	2,515,516	49.47	
2000	6,437,842		20.3				57.30

Source: DANE, ENH; La Pobreza en Bogotá - Proyecto Bogotá Como Vamos  
Unemployment defined as Unemployed population/ EAP

The rate of informal employment in Bogotá grew from 49 percent in 1996 to 57.8 percent in 2000; most of the new jobs in the city, as in the rest of Latin America, were created in the informal sector. It is estimated that between 1984 and 1988, 62.9 percent of the new “employment” was provided by the informal sector Figure 52 illustrates unemployment and participation in the informal sector from 1988 to 2000.



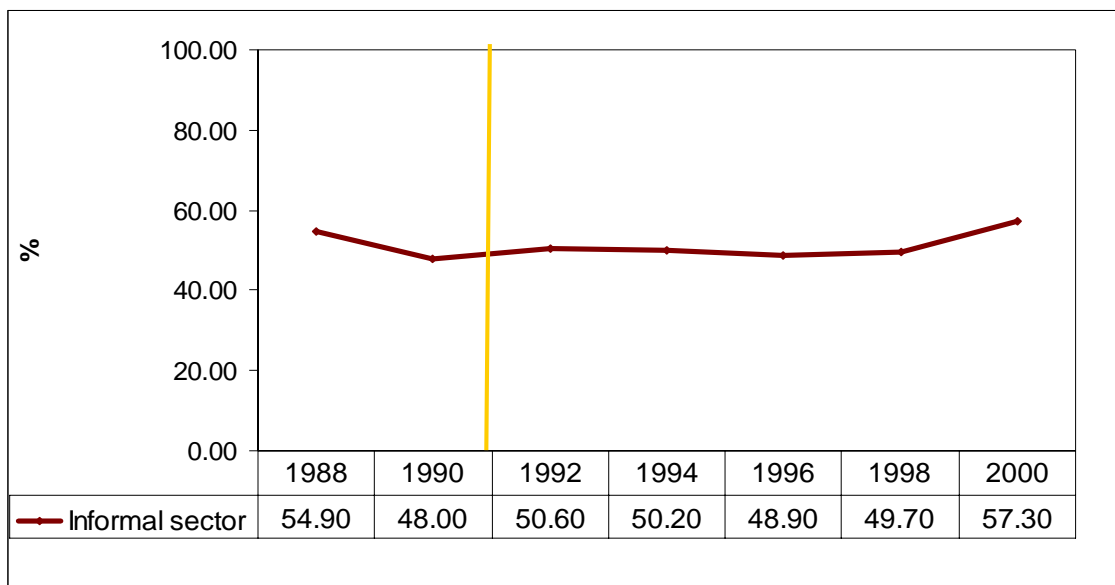
Source: data from DANE and La pobreza en Bogotá (Fundación Corona 2003)

**Figure 52: Unemployment and participation in the informal sector, 1988-2000**

Informality in Bogotá is associated with marginal and quasi-illegal activities, although it has proven difficult to trace boundaries between illegal and legal activities and therefore between the formal and informal economy. In Colombia, informality conveys a social status worse than not being employed, to the extent that there is a word, *el rebusque*, which refers to someone that would do almost anything to get some income (Henao V., Rojas D., and Parra R. 1999; Secretaría de Hacienda Distrital 2003).

Those working in the informal sector do not have access to the benefits associated with formal employment. It has been calculated that more than 73 percent of them have no health insurance, or any other benefit usually accessible to formal employees; and that more than 60 percent of them earn less double the minimum wage (Maldonado and Hurtado 1997, p.136). The level of informality, from 1988 to 2000, remained relatively steady (Maruri 2001, p.29), as illustrated by Figure 53.





Source: Data from DANE, ENH

**Figure 53: Bogotá, informal sector 1988, 1992-2000**

### 8.3.3 Social Investment

The well-being of the citizens of Bogotá, as all other people, is influenced by many intervening variables that do not depend directly on the government of Bogotá, including the money exchange rate, the global market changes, the decision made by the president, and many others. Nevertheless, there are other variables that depend directly on the city's government and that also have an impact in the quality of life of the citizens; these are what the UNDP named *mezovariables*, referring to the government's choices in regards to social investment (*Human development report 1992*), also known as social expenditure.

The amount of public social expenditure (PSE) depends not only on the availability of resources, but also on the priorities set by a government, which are related to the model of development it has adopted. In Bogotá, overall public expenditure (TPE) rose by 60 percent, increasing its share of GDP from 27 to 43 percent, between 1990 and 1997. A number of factors contributed to the increase in public expenditure, but undoubtedly, the most important of these was the New Constitution of 1991. The 1991 Constitution mandated substantial increases in social spending, particularly in the areas of human capital. The new Constitution also sought to

promote decentralization both by increasing fiscal transfers from central to local government as well as by enhancing alternative sources of financing for local government expenditures.

Under the development model promoted by the New Constitution, the increase in the government's total expenditure should come with an increase in social expenditure. Between 1980 and 1994, the PSE grew from 12.24 percent of the TPE to 16.61 percent (Londoño de la Cuesta 1993). According to the DPAD, from 1995 to 1998 this percentage grew to 41.7 percent (Departamento Administrativo de Planeación Distrital 1995). Table 65, presents the absolute values of the TPE and the PSE in constant 1992 pesos, and the percentage participation of the PSE (Public Social Expenditure) in the TPE (Total Public Expenditure).

**Table 65: Budget allocated to public social expenditures in Bogotá, 1980-1994**

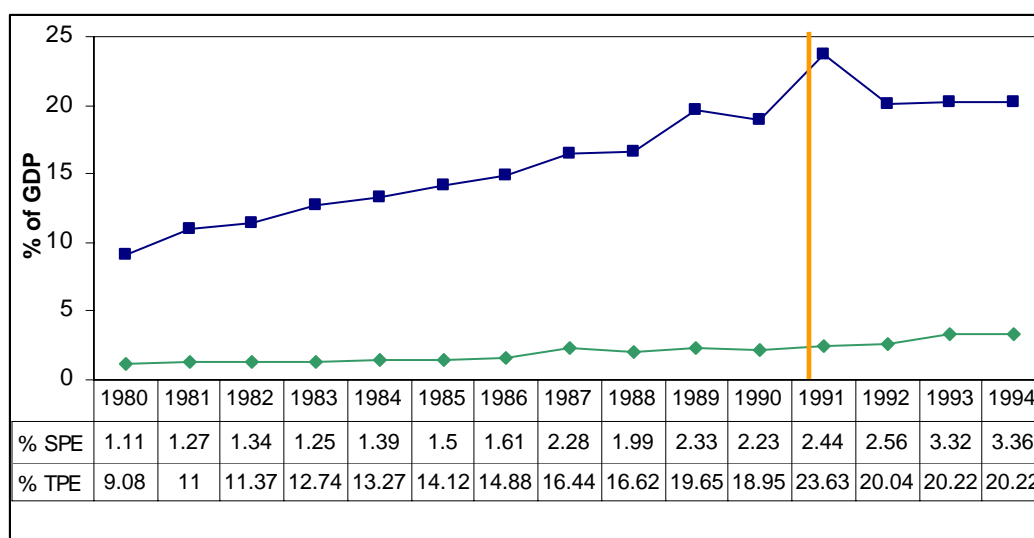
	<b>TPE (pesos 1992)</b>	<b>PSE (pesos1992)</b>	<b>%of TPE</b>
<b>1980</b>	420,384.7	51,475.3	12.24
<b>1981</b>	536,429.9	61,821.6	11.52
<b>1982</b>	564,223.8	66,451.7	11.78
<b>1983</b>	639,702.0	62,859.3	9.83
<b>1984</b>	686,397.6	71,794.4	10.46
<b>1985</b>	734,658.7	78,055.3	10.62
<b>1986</b>	811,721.3	87,974.7	10.84
<b>1987</b>	961,340.8	133,479.3	13.88
<b>1988</b>	1,017,608.1	122,061.0	11.99
<b>1989</b>	1,225,604.9	145,492.6	11.87
<b>1990</b>	1,243,539.8	148,411.0	11.93
<b>1991</b>	1,495,740.8	154,147.1	10.31
<b>1992</b>	1,371,420.9	175,142.6	12.77
<b>1993</b>	1,462,836.8	240,456.1	16.44
<b>1994</b>	1,561,440.0	259,383.5	16.61
<b>1995-1998</b>			41.7

Source: Desarrollo Humano y Progreso Social en Santa Fe de Bogotá, D.C. (Segura Ortiz 1996, p.93).

The data shows an important increase starting in 1991, which is consistent with the new constitutional mandate. The New Constitution established that the provision of public utilities was responsibility of the state, as it has a great impact in the quality of life of the people; it also focused on the increase in social investment as on of the key priorities.

Therefore, in order to evaluate the real significance of the social expenditure, two additional factors must be considered, first, the amount of the GDP allocated to Public Social Expenditure

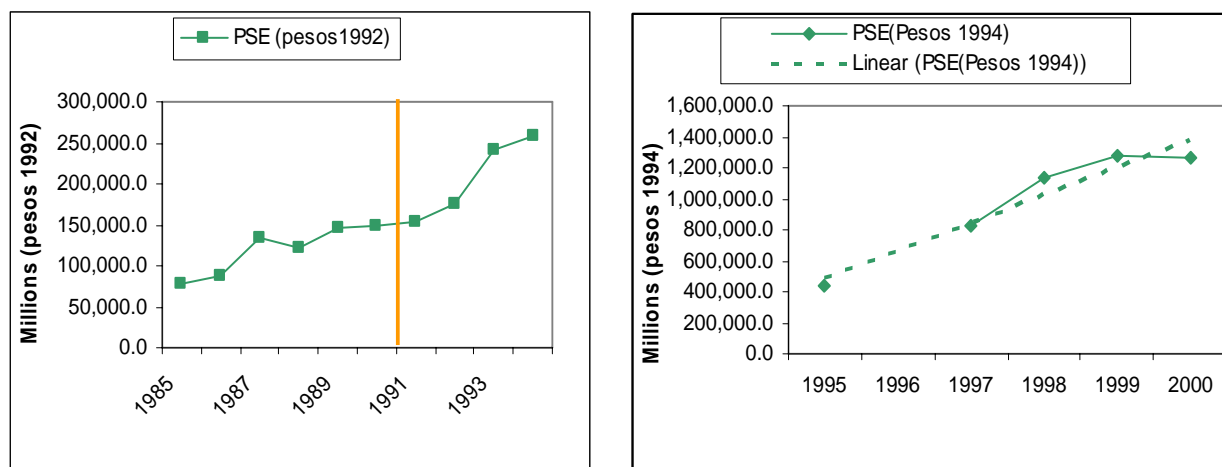
(PSE) in the GDP, and second, the destination of the investment. According to the UNDP, the ratio between PSE and GDP shows the level of the government mezzopolicies; a ratio equal or small than 6 percent is considered low, a ratio between 6 and 10 percent moderate, and a ratio of 10 percent or more high (Segura Ortíz 1996, p.92). Between 1980 and 1994, the PSE grew from 1.11 percent of the GDP to 3.36 in 1994. Despite this increase, it is very low compared with the national level, which was 9 percent in 1993 (Segura Ortíz 1996, p.94). Figure 54 illustrates the amount of the GDP and TPE allocated to PSE from 1980 to 1994.



Source : data from Desarrollo Humano y Progreso Social en Santa Fe de Bogotá, D.C. (Segura Ortíz 1996, p.93)

**Figure 54: TPE and PSE percentage of the GDP, Bogotá 1980-1994**

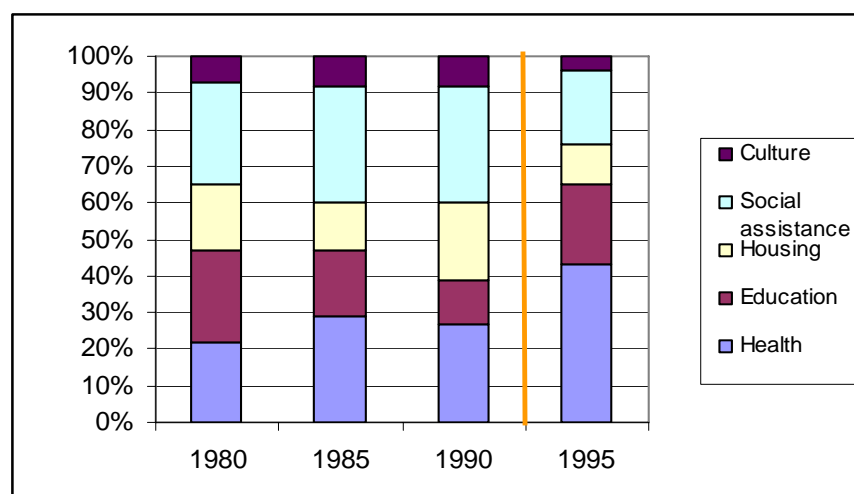
The level of PSE in Bogotá remains low, according to the UNDP standards, despite its increase. Nevertheless, the amount located to social expenditure increased steadily from 1985 to 1994, and thereafter. In fact, by 2003, the government subsidized education for 500,000 children, offered nutritional programs to 180,000 students, and school transportation to more than 24,000. The subsidized health system covered 1,800,000 people that did not have access to social security (Cámara de Comercio de Bogotá 2003, p.12). Unfortunately, the lack of historic data makes building a systematic comparison impossible. In order to illustrate this trend, Figure 55 shows the amount in PSE from 1985 to 1994 (in 1992 millions) and the PSE from 1995 to 2000 (in 1994 millions).



Sources: Desarrollo Humano y Progreso Social en Santa Fe de Bogotá; Cuadernos de la Ciudad, Serie Equidad y Bienestar No.2

**Figure 55: (Left) PSE from 1985-1994, millions 1992; (Rigth) PSE from 1995-2000, (millions pesos 1994)**

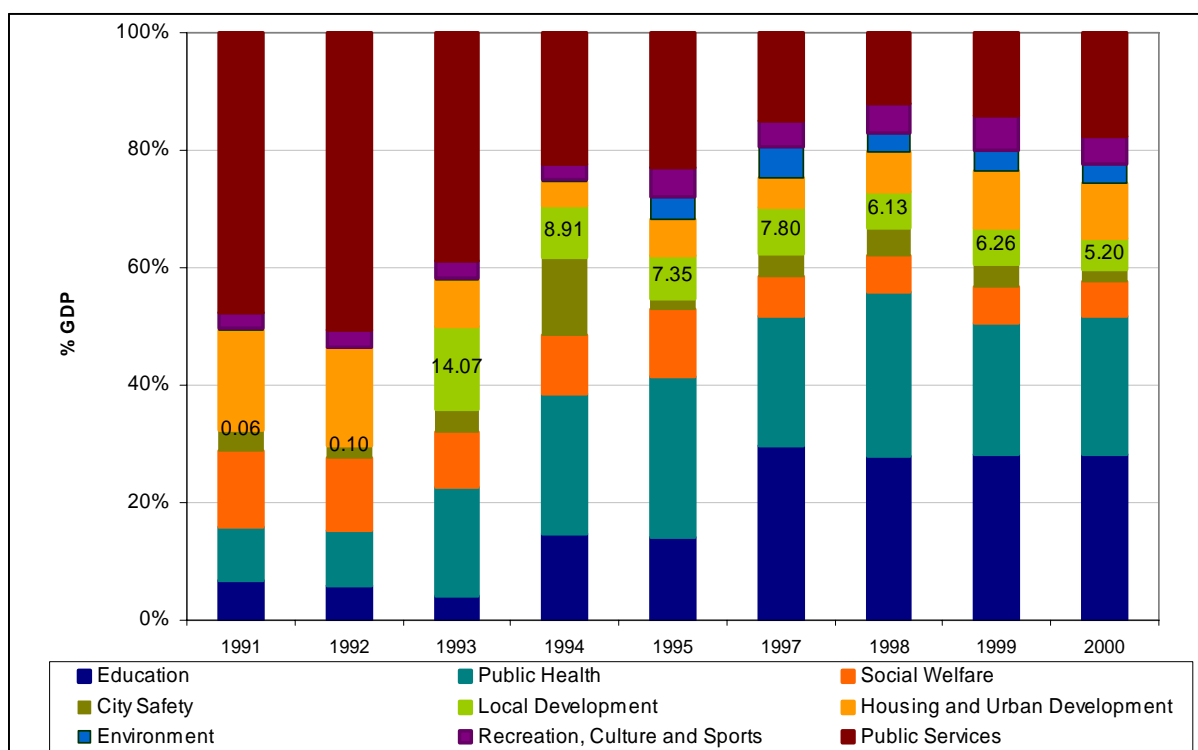
The second element to consider is the choices that the government makes in regards to what social problems to address through PSE. There are important differences in what governments determine are social expenditures, which represent a serious obstacle for conducting research. In Bogotá, between 1980 and 1995, the sector with more investment was health, followed by education; Figure 56 illustrates Public Social Expenditure by sector.



Sources: Desarrollo Humano y Progreso Social en Santa Fe de Bogotá; Cuadernos de la Ciudad, Serie Equidad y Bienestar No.2

**Figure 56: PSE by sector, 1980-1995**

In the first Mockus administration (1994-1997), there was a shift towards education, quite consistent with his government plan. During Peñalosa's administration, education continued as the first choice followed by an important increased in health; it is important to notice that this administration also made major investments in infrastructure, the third priority after education and health. Figure 57 illustrates the PSE from 1991 to 2000 by sector.



Source: SHD, Dirección Distrital de Presupuesto

**Figure 57: Share of sector in PSE, Bogotá 1991-2000**

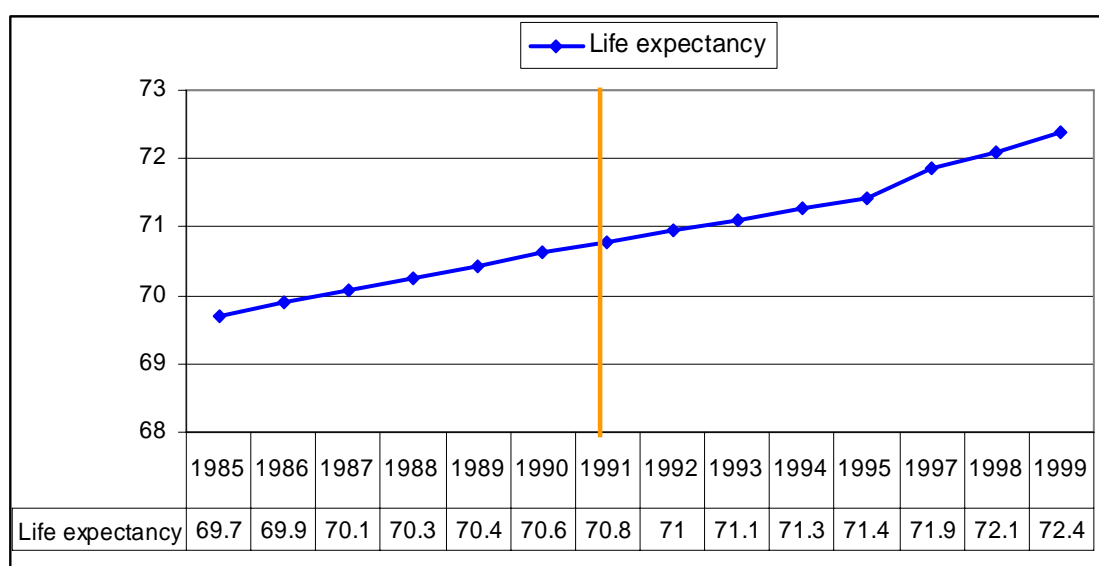
It is important to note the increase in investment in local development in 1993, the year in which the EOB was instituted, and the subsequent decrease in the years thereafter. Public Health and education are the preferred destinations for social investment.

**Health** constitutes one of the key indicators in the HDI, and is a critical variable for the development of any community. In Bogotá, Agreement 16 of 1991 established the *Sistema Distrital de Salud*, the city's health system; in 1996, Decree 812 restructured the Health Secretariat in order to accommodate the decentralization demands. The aim of the institutional

changes was to extend access to health services and to improve the focus of the central government's investments. Between 1985 and 2000 life expectancy showed a steady increase, it went from 69.7 to 72.4 years. There is a slight differential between men and women, as presented in Table 66; Figure 58 illustrates the improvement in life expectancy in Bogotá from 1985 to 2000.

**Table 66: Life expectancy differential men and women, Bogotá 1990-2000**

Life expectancy	Men	Women
1990 – 1995	74	66.9
1995 – 2000	75.2	68.5



Source: Desarrollo Humano y Progreso Social en Bogotá, Familias, Bienestar y Políticas Sociales en Bogotá, D.C.

**Figure 58: Life expectancy in Bogotá 1985-2000**

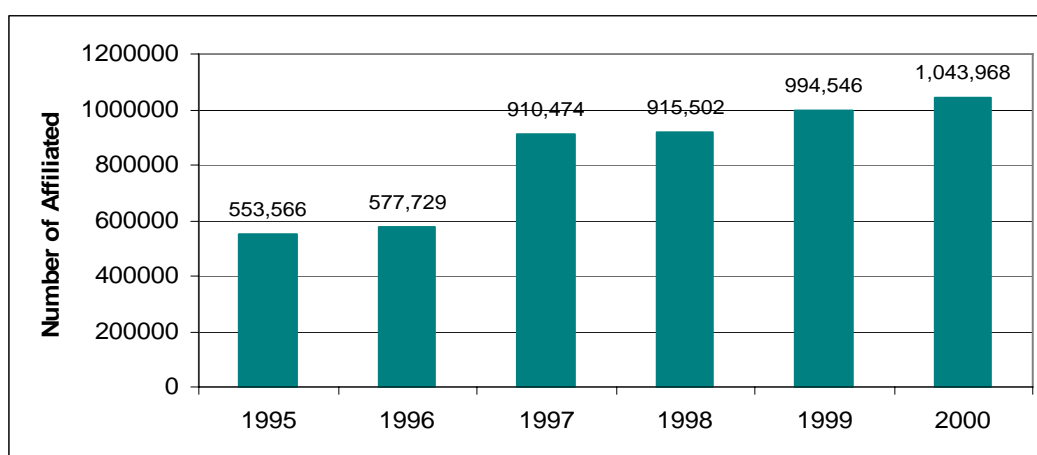
Between 1970 and 1990, the infant mortality rate, that is the rate at which babies less than one year of age die, steadily declined, from 50 percent in 1970 to 31.5 in 1985 and to 22 percent in the 1990's (Segura Ortiz 1996, p.72). Table 67 presents the mortality rate by age in 1999.

**Table 67: Mortality rate by age (per 10 thousand), Bogotá 1999**

Age range	Mortality rate
Less than a year	203.5
De 1 a 4	8.7
De 5 –14	4.28
De 15-44	18.79
De 45-59	50.75
De 60 y más	375.88

Source: Familias, Bienestar y Políticas Sociales en Bogotá, D.C.

In regards to access to health services, a recognized improvement in coverage is represented by the introduction of a subsidized health system for those registered in the *Sistema de Información para la Identificación y Clasificación de los Potenciales Beneficiarios de los Programas Sociales*, SISBEN, a system created for focusing social policies in the city in 1995. The system represents a big improvement and fills and increasingly important need considering the deterioration of the labor market and the health benefits associated with it. From 1995 to 2000 the number of people affiliated to the subsidized health system increased from 553,566 to 1,292,259 (Fundación Corona 2003), as illustrated by Figure 59.



Source: La Pobreza en Bogotá

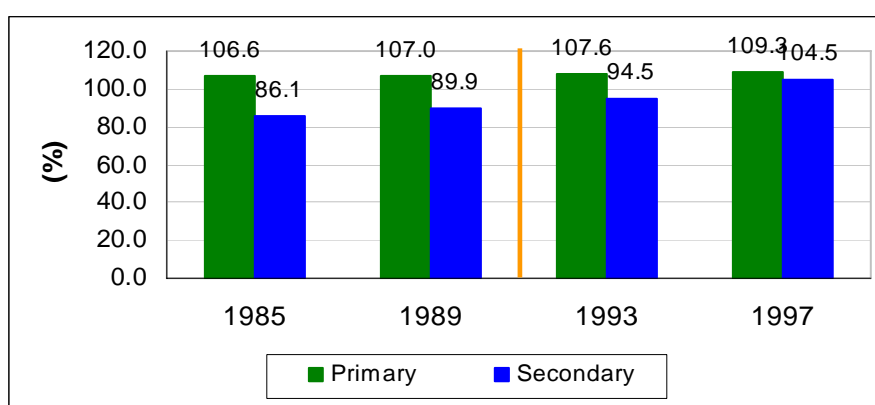
**Figure 59: Number of members of the Health Subsidized system, Bogotá 1995-2002**

Critics of the SISBEN claim that people have to make too many procedures for registering and that the requirements are not possible to meet for the poorest. Participants must have an

official ID and a permanent residence and the homeless and IDP would not met these criteria (Strauch, Niño, and Pacheco 2003, p.46). According to a study conducted by the Health Secretariat in 1999, the health system needs to improve its coverage of stratum 1 and 2 in the city. The localities where the health system should concentrate are *Ciudad Bolívar, Usme, Usaquén San Cristóbal, Bosa, Santa Fé, Rafael Uribe and Kennedy* (Fundación Corona 2003, p.19).

**Education** According to a study evaluating the education system in Bogotá, during the 1990s the system increased its coverage, improved its quality, and enhanced the organizational capacity of its authorities. The study also pointed out that the system still has to overcome the same problems, though to a lesser extent, that existed before the decentralization reform. Not enough public education to cover the demand, big differences in the quality of education offered according to the purchase power, and not enough investment to guarantee both access and quality (Pérez Martínez, 2003).

According to the education secretariat, the city's education system has the capacity to attend to all the school-age population, if it were not for the rate of students repeating<sup>148</sup> or dropping out. The net coverage of the system for 2000 was 88.4 for preliminary school and 90.8 for intermediate school. Figure 60 illustrates the gross enrollment ratio<sup>149</sup> from 1985 to 1997.



Source: DNP, SISD and Colombia Boletín No. 19: La educación en cifras.

**Figure 60: Education coverage, Bogotá 1985-1997**

<sup>148</sup> Referring to pupils who are enrolled in the same grade as in a previous year, expressed as a percentage of the total enrollment to the specified grade

<sup>149</sup> Ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to that level of education

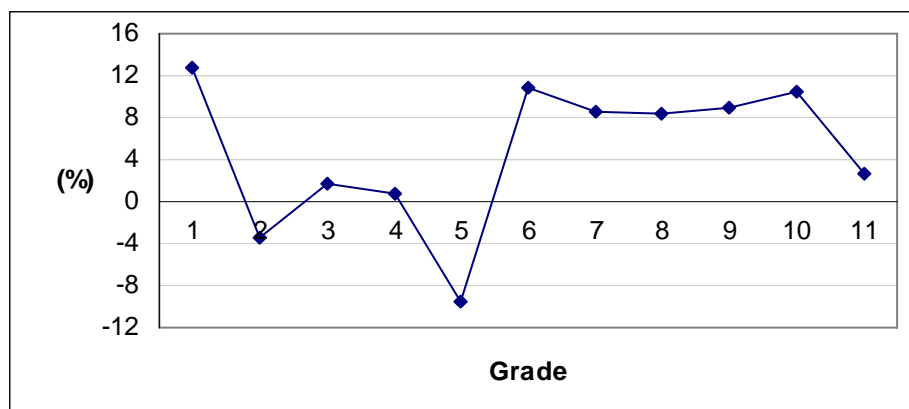


Table 68 presents the percentage of students repeating each grade from 1<sup>st</sup>. to 11, to illustrate particularly the difficulty to pass from preliminary to middle school, because of the reduction of the quota available in middle schools; Figure 61 illustrates the dropout rate for the period 1995-1999.

**Table 68: Rate of repeating students by grade, Bogotá 1995-1999**

Grade	1	2	3	4	5	6	7	8	9	10	11
Percentage that repeat	5.2	3	2.5	3.2	2.7	8.7	3.1	3.4	6.5	4.4	2.1

Source: DNP, SISD Boletín No. 28: Eficiencia del sistema educativo: perfiles departamentales 1995 - 1999



Source: DNP, SISD Boletín No. 28: Eficiencia del sistema educativo: perfiles departamentales 1995 - 1999

**Figure 61: Attrition rate by grade, Bogotá 1995-1999**

It is difficult to compare the educational policies of the city's administrations, as there is not much information from before 1992. Jaime Castro's administration is recognized for its effort in improving public preschools, which was about 85 percent private before; 24,000 new seats were created, mostly in low-income areas of the city. The Mockus administration promoted improvements in coverage and quality; in addition, it restructured the system, promoting its decentralization, in consistency with Law 60 of 1993 and Law 115 of 1994. This administration consolidated the *Centros Administrativos de Desarrollo Educativo Local* (CADEL), local administrative units of the education secretariat. This administration designed and initiated the city's educational network, a project to connect all public schools via internet.

The Peñalosa administration maintained most of the educational policies that were in place; it consolidated the reorganization of the education secretariat, and set in motion the civic participation network (REDP), which gave access to internet to more than 700 public schools. Three public libraries were built in low-income areas. This administration created a partnership with the private sector for the management of public schools, *Educación por Concesión*; the results of this model transcend the boundaries of this study, but it is a source of debate in Bogotá.

#### **8.3.4 Housing**

The process of urbanization in Bogotá occurred in a much-unregulated context, which resulted in different styles of land use and occupation; the city looks like a combination of two or three separate cities, each corresponding to a different social group. Approximately 23 percent of the urban area (6,000 ha) is occupied by squatter settlements which are home to some 26 percent of the population (over 1.5 million inhabitants); only middle to higher-income areas have managed to grow and develop under a well-regulated and modern market (IADB, pp.7-8).

Despite the chaotic development of the housing market, Bogotá has managed to cope with the problem thanks to the existence of illegal sub-divisions where purchasers obtain formal title some years later (Mohan 1994). Typical shantytowns exist and keep emerging in the city, which are transformed gradually by the people into more or less standardized suburbs. Most settlements over 10 years of age are well-serviced in a city where 98% of homes have water piped to the home (Gilbert 2000).

Before 1987, the national government, through the *Instituto de Crédito Territorial* (ICT), controlled most of the housing policy. In 1987, as part of the promotion of decentralization in the country, decree 78 of 1987 promoted the creation of land banks managed by municipal authorities, with the aim of increasing low-income housing (Rico de Alonso et al. 2003, p.110). In 1990, in consistency with the neo-liberal paradigm, the public housing system was reformed, the deregulation of the interest rates for low-income housing attracted private builders into this market. Law 3 of 1991, assigned to the state the regulation of low-income housing built by private and public organizations, in addition it formally instituted subsidies to help low-income residents access the formal housing market (Gilbert 1997; Rico de Alonso et al. 2003).

In 1997, as part of the decentralization process of the New Constitution, the municipalities had to elaborate their territorial development plan (POT), which according to the law, had to include land reserves for low-income housing (Rico de Alonso et al. 2003). The final aim of the housing policies was to provide quality housing to all; Table 69 presents that evolution of the absolute quantitative deficit<sup>150</sup> in Bogotá from 1951 to 2001.

**Table 69: Housing deficit in Bogotá, Bogotá 1951-2001**

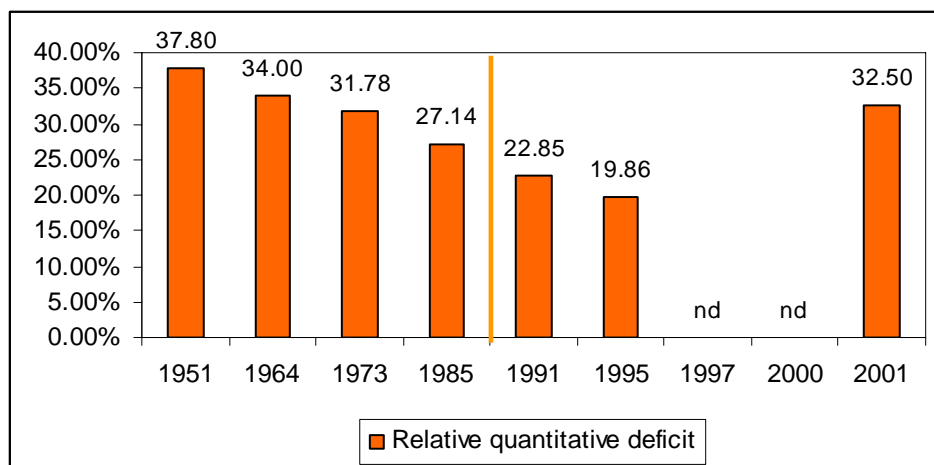
Criteria	1951	1964	1973	1985	1993	1997	2000	2001
Households	121,474	313,702	435,118	911,535				1'732,126
Annual growth rate		7.57	3.7	6.36				4.01*
Average annual % growth		14,786	13,49	39,701				51,286
Housing units	75,559	207,055	296,856	664,135				1'170,985
Annual growth rate		8.06	4.08	6.94				3.54*
Average annual % growth	n.d.	10.115	9.978	30.606	36.05	33.63	30.49	31.678
Absolute deficit (Household-house)	45,915	106,647	138,262	247,4	500,033	527,279	527,279	562,861
Annual average deficit		4.671	3.512	9.095				19.608
Household by house ratio	1.61	1.52	1.47	1.37	1.56	1.51	1.44	1.48**

Source: *Familias, Bienestar y Políticas Sociales en Bogotá, D.C.* (2003)

Despite the fact that the offer in housing has tripled, the deficit accumulated is higher than 500,000 housing units; from which 92 percent correspond to low-income strata (Rico de Alonso et al. 2003). Figure 62 illustrates the relative lack of housing.<sup>151</sup>

<sup>150</sup> The relation between household and housing available

<sup>151</sup> Quantitative relative deficit= quantitative absolute deficit/household



Source: data from *Familias, Bienestar y Políticas Sociales en Bogotá, D.C.* (2003), and *Desarrollo Humano y Progreso Social de Santa Fé de Bogotá*.

**Figure 62: Quantitative relative deficit in Bogotá 1951-2001**

In Bogotá, private developers, whether *piratas*<sup>152</sup> or not, have controlled the market, from 70 percent in 1981 to 75 percent in 1999. Additionally, in the 1990s, NGOs promoted programs for self-construction (Dureau et al. 2002, p.343). Table 70 presents the participation in housing programs developed by the state and the private sector.

**Table 70: Housing developers in Bogotá, 1981-1999**

Builder	1981	%	1986	%	1989	%	1999	%
State	5,336	27.7	3,426	7.8	8,171	28.1	7,066	25.4
Private	13,893	72.3	40,239	92.2	20,893	71.9	20,709	74.6

Source: *Familias, Bienestar y Políticas Sociales en Bogotá, D.C.* (2003)

The illegal developers were the ones “helping” the low-income population acquire a home. In order to attract the legal developers, in 1984, the national government promoted the “no money down” program, which in fact produced a significant increase in the production of low-price housing. Between 1984 and 1988, more than 190,000 new homes were built, many targeting

<sup>152</sup> The term refers to housing developers that lack planning permission, yet they are not land invasions.

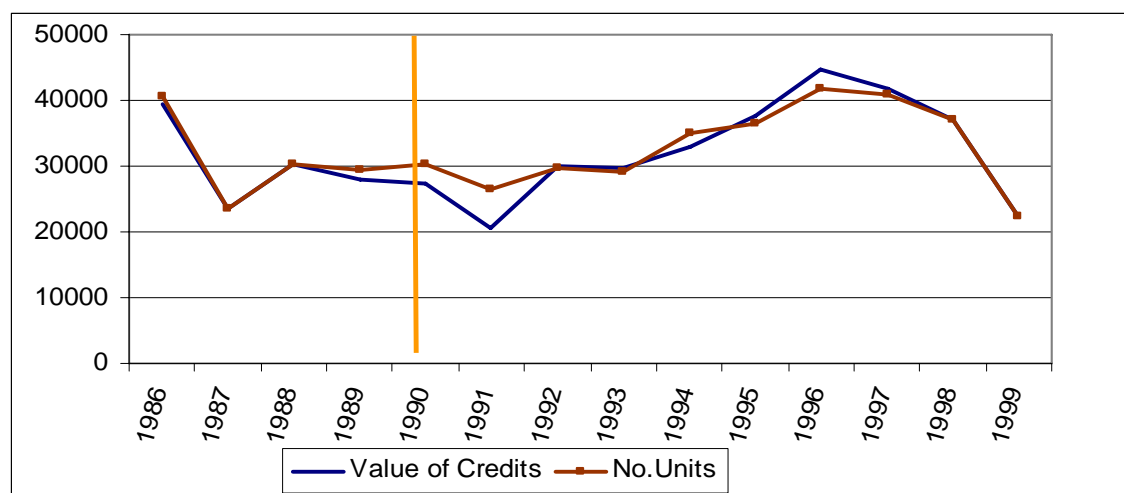
low-income population (Gilbert 2000, p.174). Table 71 presents the house units available by price from 1981 to 1999.

**Table 71: Housing price in Bogotá, 1981-1995**

Price in UPAC <sup>153</sup>	1981	%	1986	%	1989	%	1999	%
Up to 1,500	2	0.1	4,171	17.6	216	1.3		
1,500-3,000	1,126	13.2	8,743	37.0	3,453	22	6,109	30.9
3,000-5,000	2,600	30.5	5,846	24.8	3,764	24	5,306	26.9
5,000-10,000	3,185	37.4	4,238	17.9	6,134	38	5,412	27.4
More than 10,000	1,602	18.8	643	2.7	2,434	15	2,922	14.8
<b>Total</b>	<b>8,515</b>	<b>100</b>	<b>23,641</b>	<b>100.0</b>	<b>16,001</b>	<b>100</b>	<b>19,749</b>	<b>100.0</b>

Source: *Familias, Bienestar y Políticas Sociales en Bogotá, D.C.* (2003)

The access to the housing market is determined by the price of the housing units, but also to great degree on the financial market, meaning the interest rate and the availability of credit. After 1998, the possibilities of gaining access to housing finance became more difficult, due, among other causes, to the economic crisis and the instability of the job market. Between 1997 and 1998, the credits to buy for pre-owned homes were reduced in 30 percent, and in 20 percent for new homes (Rico de Alonso et al. 2003). Figure 63 illustrates credits available for low income housing.



Source: DAPD, Estadísticas Históricas Santa Fe de Bogotá D.C. 1950-1999

**Figure 63: Credits and units of Low Income Housing\***

<sup>153</sup> Units of Constant Purchasing Power (Unidades de Poder Adquisitivo Constante—UPAC), a system by which an investment not only accrued interest but also was adjusted for inflation; the UPAC system aimed at encouraging low-income housing building from recognized developers.

The reduction in money allocated to the housing market, in the form of credits, affected particularly low-income housing production; the number of units decreased from 10,266 in 1992, to 8,194 in 1995, and to 5,600 in 1999. The pirate developers capitalized on the low-income demand. During the same period, the number of illegal quarters grew from 300 which housed 10 percent of Bogotá's population, to 1,528 illegal quarters with around 1,400,000 inhabitants (Rico de Alonso et al. 2003). By mid 1999, some 800,000 borrowers were behind with their repayments. The government was forced to modify the UPAC system and to contribute to a fund with which to bail out lenders (Gilbert 2000).

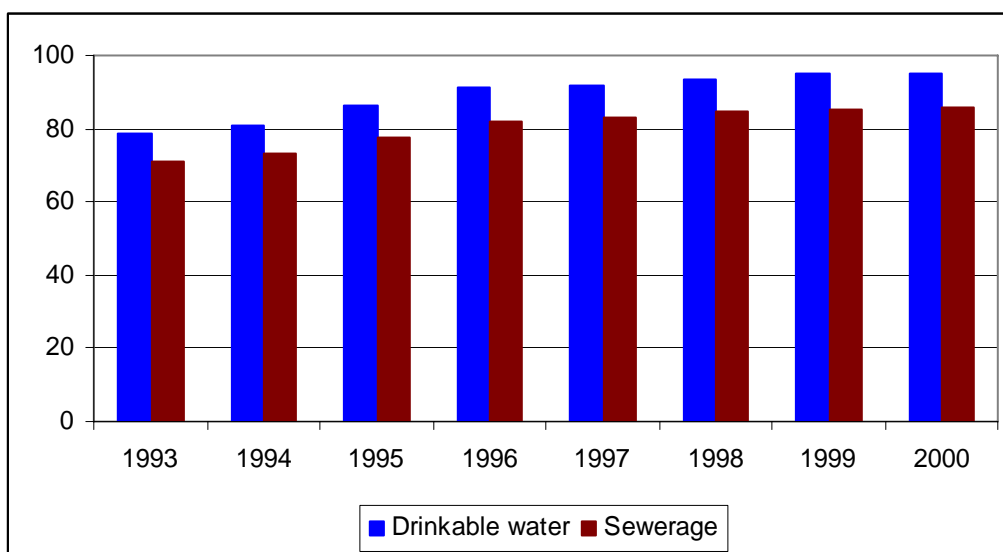
To balance the factors affecting low-income housing, the administration of Enrique Peñalosa created *Metrovivienda*, an institution in charge of promoting low-income housing developments and extinguishing pirate developments (Fundación Corona 2003, p.20). The Peñalosa's administration led a considerable effort to legalize irregular settlements in Bogotá. Table 72 presents the settlements legalization program promoted by this administration.

**Table 72: Settlements legalization program, 1997-2000**

	Locality	Number of legalized settlements	Extension (ha)
7	Bosa	241	722.9
11	Suba	157	763.7
5	Usme	150	697.35
19	Ciudad Bolívar	147	1,149.90
8	Kennedy	111	707.4
4	San Cristóbal	104	696.5
1	Usaquén	81	327.7
18	Rafael Uribe	75	313.2
10	Engativa	74	502.8
9	Fontibón	44	158.7
3	Santa Fe	24	153.9
2	Chapinero	9	30.6
16	Puente Aranda	6	16.8
6	Tunjuelito	5	147.5
15	Antonio Nariño	4	18.4
13	Teusaquillo	3	0.4
12	Barrios Unidos	2	2.1
14	Los Martires	1	0.1
	<b>TOTAL</b>	<b>1,238</b>	<b>6,410.22</b>

Source: DAPD, Subdirección de Gestión Urbanística, Área de Legalización, Bogotá, D.C., 2.000

The number of illegal settlements in Bogotá is a result, as mentioned before, of a permissive housing development regulation and the fact that Bogotá has always had good public utilities coverage. Figure 64 presents the water and sanitation coverage from 1993 to 2000.



Source: Bogota como vamos and [www.univerciudad.net](http://www.univerciudad.net)

**Figure 64: Water and sanitation service coverage in Bogotá, 1993-2000**

### 8.3.5 Gender and Vulnerable populations

In Bogotá, women did not formally exist as a population with specific needs to be considered when designing public policy until 2001. Before that time, it was very difficult to find studies on gender, or data and information disaggregated by gender. In a study conducted in 1994 for the presidential office for women, youth and families, the researcher that wrote the chapter on women declared,

*The first difficulty when trying to asses the situation of women in Bogotá is the inexistence of information disaggregated by gender. Additionally there is no one authority within the district's administration in charge of collecting and analyzing information with gender perspective (Cano 1994).*

It is only during the second administration of Antanas Mockus (2001-2003) that the city's development plan included a gender perspective for the first time. It is also during this

administration that for the first time a thorough research study on the state of women in Bogotá was conducted; the result was a book published in 2003, *Estado del Arte Sobre la Situación de las Mujeres entre 1990-2002* (García Suárez et al. 2003). This section uses that study as its main reference<sup>154</sup>; the fieldwork confirmed the prevalent difficulty for finding information and data discriminated by gender, and the resistance that the concept produces. This section reviews the development plans of the five administrations covered by this study in regards to gender and vulnerable populations and the legislation in the same topics.

Andrés Pastrana's administration (1988-1990) - the development plan of this administration included a program targeting vulnerable populations, and one of its priorities was the promotion of access to health services for the poor. During this administration a program of basic social services, supported by UNICEF, was implemented by the DABS in collaboration with the *Universidad Nacional de Colombia*. There was no specific program for or mention of gender during this administration. The cabinet of Andrés Pastrana, which consisted of nine positions, had two women; the treasurer and the head of the DABS, the social and welfare department.

Juan Martín Caicedo and Sonia Durán's administration (1991-1992) – this administration introduced the concept of social policy; his development plan included the creation of the city's Office of Social Development, for coordinating all central institutions promoting or implementing social programs. The development plan of this administration also included as priorities the improvement of health coverage, and the design of a comprehensive housing policy. There is no explicit allusion to gender in this administration. Nevertheless, as mentioned before, it is during this administration that the city had the only female mayor, Sonia Durán de Infante, who governed the city for two months. Three women were members of this cabinet, which consisted of thirteen positions, the head of the SHD, the city's financial secretariat, the director of DABS, and the head of the *Departamento Administrativo del Servicio Civil* (DASC), the civic service department.

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<sup>154</sup> Angela María Robledo, director of DABS, was in charge of overseeing the study that was conducted by the Universidad Central; she facilitated to the author access to all the information collected in regards to gender.



Jaime Castro's administration (1992-1994) - his development plan<sup>155</sup>, *Prioridad Social*, included three programs for vulnerable populations and women. The first one, *Protección a la infancia*, established mandatory health care for children less than one year old; including pre and postnatal care. The second was a program in health; it included sexual education, screening for cervical cancer, free vaccination for pregnant women and children, and health services for people infected with the HIV virus. Decree 5 of 1993 mandated free attention to pregnant women in need. The third program, Bienestar Social, provided nutrition supplements to seniors, children and pregnant and lactating women. An important advance for social policy was the creation of the *Consejería para Asuntos Sociales y la Participación Comunitaria*, the city's consultant office for participation and social affairs. The development plan of this administration did not have any specific policy for women. Three women were members of this cabinet, which consisted of fourteen positions, the director of the *Departamento Administrativo del Medio Ambiente (DAMA)*, the city's environmental department, the director of DABS, and the head of the transport secretariat. During the administration of Jaime Castro, there were several changes in the cabinet, totaling 27 functionaries for 14 posts.

Antanas Mockus and Paul Bromberg's administration (1995-1997) – one of the priorities of this administration's development plan, *Formar Ciudad*, was to promote social progress. *Formar Ciudad* sought to promote inclusion through social investment and the coordinated action of families, communities and the government. This administration gave continuation to the programs supporting pregnant and lactating women established in the previous administration. There was no specific mention of gender in the development plan of this administration. Nine women were members of this cabinet, which consisted of fourteen positions. During this administration there were several changes, totaling 24 functionaries for 14 posts.

Enrique Peñalosa's administration (1998-2000) – his development plan, *Por la Bogotá que queremos*, included within its priorities, several programs targeting women and vulnerable populations. Among them, the creation of a center for fertility control, the reduction of the mortality rate, and the inclusion of pregnant women in the social security system. In addition, the

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<sup>155</sup> Before Jaime Castro, the development plans were presented to the Council by the Mayor, after the New Constitution the development plan had to be consistent with the plan of government that each candidate offered to the citizens.

development plan of this administration included for the first time a reference to gender discrimination; nevertheless, it did not have programs or policies targeting women, and it did not have gender perspective. Eight women were members of this cabinet, which consisted of fourteen positions, this administration did not change as much as the previous, 18 functionaries for 14 posts.

In general, the development plans reviewed included women in its social policies as mothers or family members, but not as individuals with specific needs; there is still a lot of resistance to the inclusion of gender as a valid concept into the policy discourse in the city, as was clear through the fieldwork. A similar situation affects other vulnerable populations that have been mostly ignored in the policies of the city. This is the case of the homeless and street children, and the *desplazados* or IDP.

Bogotá has no reliable data on the number of homeless and street children, an estimate in 1994 reported that there were between 10 and 12 thousand adults living in the streets of Bogotá, 25 percent of them had a mental illness, and 10 percent were older than 50 years. There are no policies directed towards this population (Pitto Bonilla 1994, pp.328-330). It is also estimated that there are about 5 thousand children living in the streets of Bogotá; the city's administration has several programs for responding to this problem (Fundación Corona 2003, p.12).

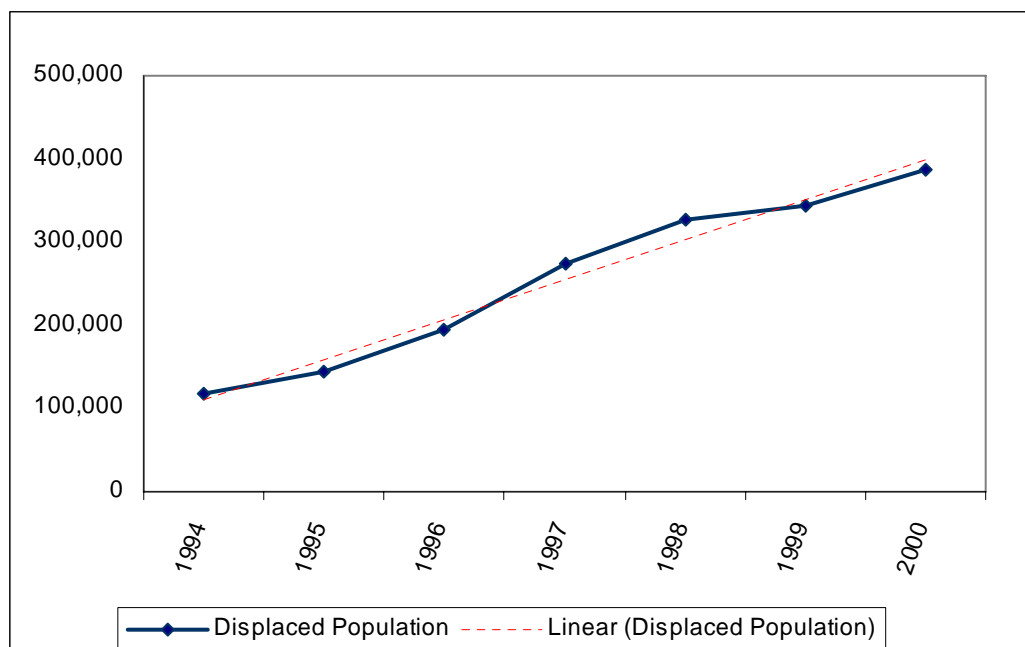
**8.3.5.1 Los Desplazados (IDPs)** The *desplazados* are an important piece of Colombia's history; forced immigration has existed as long as people have been forced to abandon their homes. It is possible that because they were not counted, not quantitatively nor qualitatively, they did not exist as subjects of public policy. It is just recently that they gained attention, for two main reasons, the sheer amount of people involved in the movement and the attention given to them by international NGOs.<sup>156</sup> It has been calculated that since 1985, the internal conflict has displaced over three million people and the number continues to rise. However, the government only recognizes 1.6 million as displaced due to the fact that displaced persons could only start registering for IDP status in 1994 (Refugees International).

Bogotá has been the preferred refuge for the displaced; it is estimated that more than 37 displaced families arrive in the city every day, and that the city has received some 480,000

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<sup>156</sup> For example, the Norwegian Refugee Council, one of the most involved, Amnesty International, the Peace Brigades, Refugees International and ACNUR, the UN office for refugees.

*desplazados* since 1985, giving it the highest concentration of *desplazados*, approximately 23 percent of the country's total displaced population (Norwegian Refugee Council 2004, p.4). Figure 65 illustrates the steady increase in the number of IDPs arriving in Bogotá from 1994 to 2000.



Source: CODHES and (ACNUR and Bogotá Cómo Vamos 2003).

**Figure 65: Bogotá: incoming IDPs, 1994-2000**

According to the minutes of a forum on IDPs in Bogotá, organized by the UN Office for Refugees in Colombia in 2002, of the displaced families living in Bogotá, 55 percent would like to settle permanently in the city. Of the total of IDPs, 77 percent came from rural areas and the main cause for abandoning their homes was a threat against their life. About 83.5 percent are not affiliated with the social security system, and only 26.8 percent have access to education. Only 0.8 percent of all the families own a home, and 64.5 percent of the heads of household are unemployed.

The average family size is 4.66, which means that a significant part of this population, 66 percent, is under 18 years; 30.9 percent are between 0 and 7 years of age, 34.6 between 8 and 17, and 14.9 between 18 and 26; only 3 percent are seniors. Women represent between 43 and 55

percent of the total population; even more importantly, about 45 percent of the families have women as head of the household, which are between 20 to 24 years old (ACNUR and Bogotá Cómo Vamos 2003, pp.57-68).

Ethnic communities, predominantly indigenous and afro-Colombian groups, are a large part of the displaced, a rough estimation points to 6.1 percent afro-Colombians and 1.6 percent indigenous from different communities such as Pijaos, Kogui, Yupka, Kankuamo, Arwakos, Sikuani, and others (ACNUR and Bogotá Cómo Vamos 2003, p.13-24).

It was not until 1998, under Mayor Peñalosa, that the government of the city, following the mandate of Law 387 of 1997, and in recognition of the dimension of the population and the demands it created, began to create an institutional response. Agreement 2 of 1998 established the *Consejo Distrital para la Atención Integral de la Población Desplazada por la Violencia a Santa Fe de Bogotá*, the city council for IDPs; Decree 624 of 1998 ruled the functions for the council (ACNUR and Bogotá Cómo Vamos 2003; Secretaría General 2005).

The city's council for IDPs established in 1999 the *Unidad de Atención Integral a la Población Desplazada* (UIAD), a permanent unit for coordinating actions between the many organizations working with IDPs in Bogotá. This unit offers services to the IDPs living in the city and to those arriving daily; in addition, it collects relevant information about the IDP population. Between 1999 and 2000, the UIAD served 2,754 IDP families, offering a coverage of 42.7 percent (ACNUR and Bogotá Cómo Vamos 2003, pp.41-42). Table 73 presents the number of families serviced by the UIAD in 1999 and 2000.

**Table 73: Families served by the UIAD in 1999 and 2000**

Year	Number of families	Percentage
1999	896	14.3
2000	1858	29.2
Total	2754	43.5

Source: (ACNUR and Bogotá Cómo Vamos 2003)

The number and characteristics of this population created a lot of pressure in the social policy system of the city. Most of their children had to be included in extra-age school groups. The UIAD reports that close to 14,000 children have been incorporated into the education system (ACNUR and Bogotá Cómo Vamos 2003, p.43).

One of the main problems faced by the *desplazados* is how they are seen by the *Bogotanos*; the city's population does not have a common understanding on the displacement crisis and they do not see the situation of the IDPs in Bogotá as a public problem. It is not surprising that the localities with the highest proportion of poor are the ones with higher concentration of IDPs. Table 74 presents the number of displaced families living in each locality.

**Table 74: Displaced families by locality, between 1999 and 2000**

Locality	Number of families	Percentage
Ciudad Bolívar	2,190	26.2
Kennedy	958	11.5
Bosa	863	10.3
Usme,	704	8.4
Rafael Uribe Uribe	452	5.4
San Cristobal	447	5.3
Without specific location	440	5.3
Suba	384	4.6
Engativá	384	4.6
Tunjuelito	281	3.4
Santa Fé	276	3.3
Fontibón	181	2.2
Puente Aranda	150	1.8
Usaquén	138	1.7
Chapinero	109	1.3
Antonio Nariño	82	1.2
Los Martires	75	1.0
Barrios Unidos	57	0.9
Teusaquillo	53	0.7
La Candelaria	38	0.6
Sumapaz	3	0.5
<b>Total</b>	<b>8,265</b>	

Source: UIAD quoted by Bogotá Como Vamos, p.13

The displacement trend is not likely to change as the internal war has increased; in the words of the UNHCR Representative in Colombia, Roberto Meier, quoted by William Splinder, a member of the UNHRC office in Colombia, “it would appear that the conflict is following its victims” (Spindler 2004).

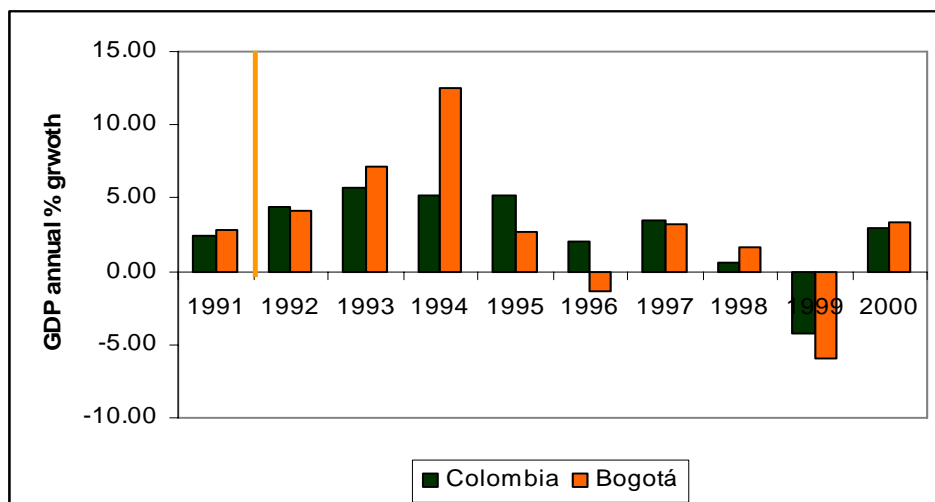
## **8.4 EFFICIENCY**

Efficiency, specifically economic efficiency, is a means to guarantee that there will be enough resources to fulfill the basic needs of all citizens. If a government uses its resources efficiently, they will support policies that enhance the wellbeing of society; governments at all levels are in charge of generating resources, and responsible for their appropriate management. Economic resources are necessary for providing public services, which are subject to conflict and negotiation, and for guaranteeing their sustainability. A government's level of efficiency is reflected in the "health" of not only its public finances but even more so in the health of society; therefore, equity and efficiency are interdependent. Efficiency, the definition adopted for this study, refers to the accomplishment of results that meet the needs of the stakeholders, and to the maximization of resources (UN-HABITAT 2000).

This section reviews the "health" of Bogotá's economy and public finances from 1988 to 2000. This is not intended to be a comprehensive economic study on the city, but rather a broad evaluation of the key changes in the management of the city's economy and finances that the decentralization reform may have caused.

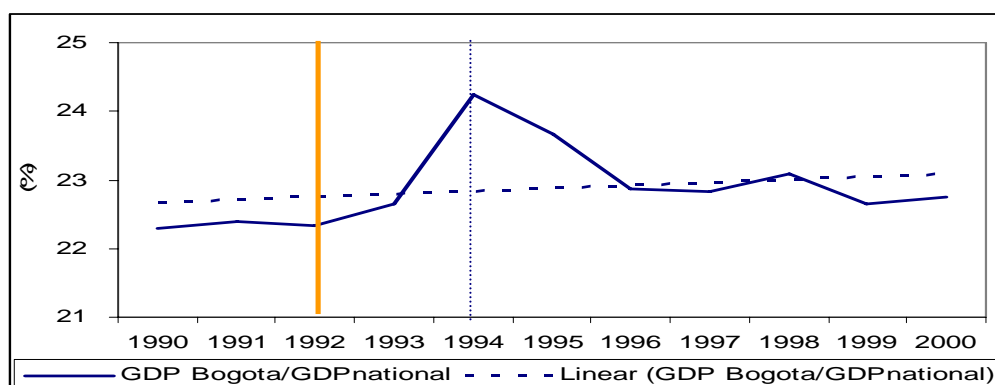
### **8.4.1 Economic growth**

Bogotá could be considered a highly productive city; it generates about a quarter of the national GDP and transfers more resources to the nation than it receives in return. Bogotá redistributes wealth to Colombia at a rate of 3 to 1; for each 3 pesos that Bogotá contributes to the country, it receives 1 from the national government. In addition, if considered separately, Bogotá has had a higher growth rate than the country; figure 66 shows the annual percentage growth rate for Colombia and Bogotá.



**Figure 66: GDP percentage growth rate, Colombia and Bogotá 1991-2000**

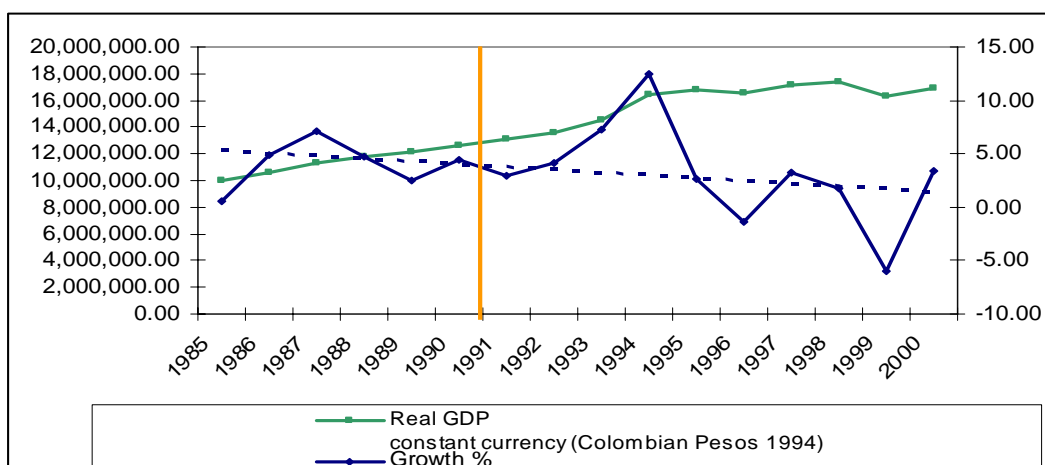
Bogotá was responsible for approximately 20% of Colombia's GDP between 1980 and 2000. In 1995, this number decreased due to the deceleration of the city's economy (SHD 2000, p.2). Figure 67 illustrates Bogotá's contribution to Colombia's GDP from 1990 to 2000.



Source: Database from the SHD, calculated by MVW

**Figure 67: Bogotá GDP participation in the national GDP, 1990-2000**

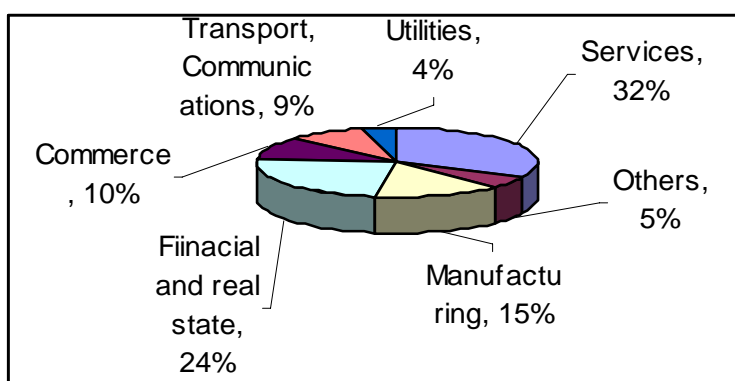
Between 1985 and 2000 the city's GDP had an average growth rate of 3.42 percent; however, the city's percentage growth rate has been irregular, and not always consistent with country trends (SHD 2001, p.25). Figure 68 presents Bogotá's GDP real growth and its annual percentage growth rate, from 1985 to 2000.



Source: Database from the SHD, calculated by MVW

**Figure 68: Real GDP and annual percentage growth rate, Bogotá 1985-2000**

Unfortunately, the productivity of the city does not have a solid base; its dependence on the internal market makes it very susceptible to changes in the country's economy, and its reliance on the third sector makes it unstable (Cámara de Comercio de Bogotá 1999). The composition of Bogotá's economy by 1999 was: services sector (32%), financial and real estate (23.5%), industry (15.19%), financial intermediation (10.54%), trade (10.10%) and transport and communications (9.48%) (SHD 2000, p.4). Figure 69 illustrates the composition of the economy by sector.



Source: Database from the Secretaría de Hacienda Distrital (SHD, calculated by author)

**Figure 69: GDP composition of Bogotá, 1999**

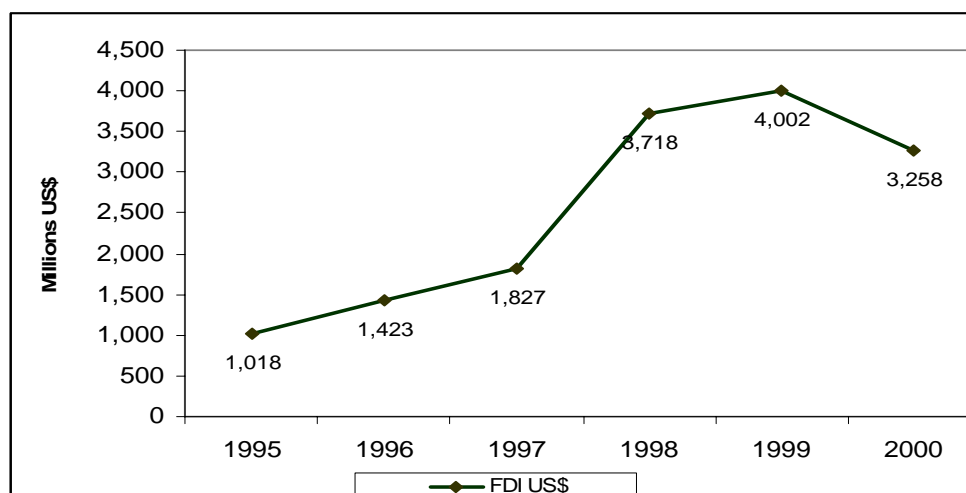


Many have suggested that this rate of economic growth is unsustainable and will collapse the city's infrastructure, and that the concentration of the country's economy in just one "Tibetan" place entails a lot of risk for both the country and the city (DAPD 1999, p.142). In addition, Bogotá has the highest rate of unemployment among Colombia's major cities; participation in the informal economy climbed to 65 percent in 2000, and its GDP growth started to decline in 1996 (rising to negative 5.7 percent in 1999 (Vargas). Finally, although Bogotá has traditionally attracted most of the Country's foreign direct investment, as presented in table 75, it has also begun to decline, as shown by figure 70.

**Table 75: Foreign Direct Investment, Bogotá 1975-1991**

1975-1979	1980-1984	1985-1991
312,479	1,712,895	1,100,837

Source: Bogotá: Nacimiento de una Metrópoli (Gouëset 1998)

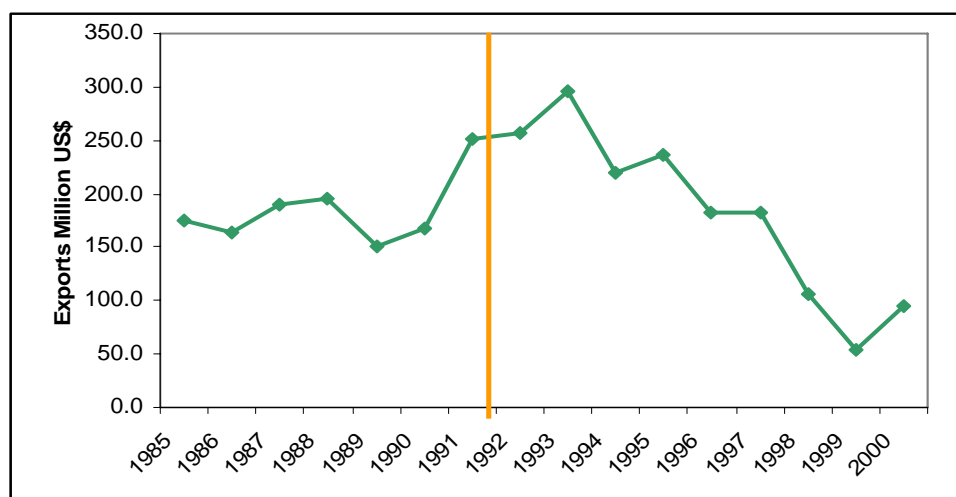


Source: Plataforma Internacional del Distrito Capital. Análisis sobre comercio exterior e inversión extranjera en Santa Fé de Bogotá (Pulido 2000)

**Figure 70: FDI in Bogotá, 1995-2000**

In 1996, foreign direct investment began to be a significant part of the city's GDP, increasing from 5 percent in 1996 to 15.42 percent in 1999 and fall to 14.15 percent in 2000. In 1998, the investment rose to US\$9.463 million, representing approximately 40% of the GDP. Finally, the

export activity in Bogotá has also been losing its significance as a key driver of growth. Export totals decreased from US\$174.8 million in 1985, to US\$94.2 million in 2000 (Gouëset 1998, p.199; CCB 2001). Figure 71 illustrates export activity from 1985-2000.



Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 71: Export activity US\$, Bogotá 1985-2000**

Between 1991 and 1997 Colombia's national exports grew approximately 75 percent, while Bogotá reduced its exports by 6.3 percent (Pulido 2000, p.5). In 1999, Bogotá's contribution to Colombia's exports was only 0.9 percent, in 2000 that number increased to 1.3 percent (SHD 2001, p.101).

#### 8.4.2 Public finances

Governments have been delegated, among other duties, the duty to manage public resources in order to address public problems; this entails using the best managerial strategies to decide what the priorities are and why, how to approach them, and with what resources. As stated by Peters and Pierre, "*Legislatures and political executives may pass all the laws they wish, but unless those laws are administered effectively by the public bureaucracy, little or nothing will actually happen*" (Peters and Pierre 2003, p.1).

Public management is a very demanding field in which the stakeholders demand much more than efficiency; they demand effective policy implementation. "Efficiency may be the least

important value for the public sector, especially in the eyes of the public. They may care much more that services are delivered, and that they are delivered in an accountable and humane manner, than they care about the cost per unit of service delivered” (Peters and Pierre 2003, p.8). However, costs matter so public managers have to be efficient in managing whatever resources they have in order to serve the most people at the least cost possible; without sacrificing accountability or humanity.

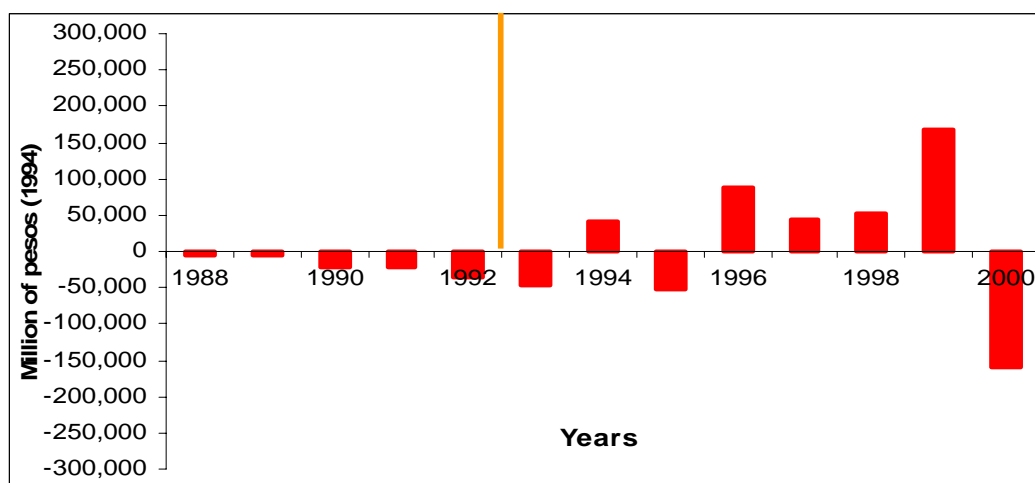
Decentralization was also a strategy that was supposed to improve efficiency, accountability and improve the relationship between state to the citizens. It definitely entailed a redefinition of the public financial system. Fiscal decentralization became one of the most important reforms from the mid 1980s on, and occurred at the regional, national, and local level. In the early 1980s, when decentralization was first begun, a Commission on Intergovernmental Finances in Colombia recommended increasing the use of local resources for local purposes, which resulted in a new legislative framework for decentralizing functions and finances (DNP 2002). The New Constitution of 1991 definitively consolidated decentralization in Colombia and Bogotá; it redefined the responsibilities, competences, and resources of the local governments and their relationship with the nation.

Bogotá underwent a major change in its financial system; the next subsection compares the financial performance of the government before and after the reform, examining three important indicators: income, expenditures and debt, with the aim of identifying the impact of decentralization on efficiency.

**8.4.2.1 Income** Between 1988 and 1990, under Mayor Pastrana, the fiscal deficit went from - 5,053.4 to **a surplus of** 21,606.5 million pesos. In order accomplished its investment plan, the city had to ask for new loans, increasing the city’s debt from 616,915.3 millions in 1986 to 1,152,776.40 in 1990 (Cámara de Comercio de Bogotá 1991). In addition, the garbage collector company own by the city was a main source of deficit; mayor Pastrana began to dismantled it, yet he did not accomplished this goal and in consequence at the end of his administration the city had three private companies under contract for collecting the garbage, and the public company still functioning (Caicedo Ferrer 2003, p.94).

Between 1990 and 1992, under Mayor Caicedo Ferrer, the fiscal deficit increased by 60 percent, and the debt grew by 39 percent. Determined to control the deficit, Mayor Ferrer

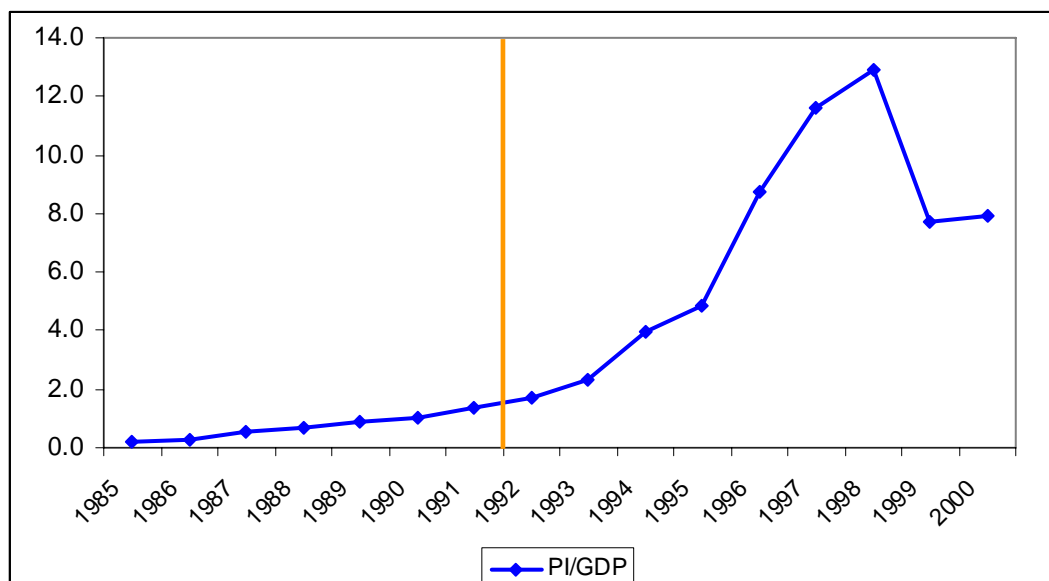
liquidated the city's transportation company, another source of deficit. He improved the tax collection and by doing so, the city's income grew 109 percent from 1990 to 1992. Figure 72 illustrates the fiscal deficit from 1988 to 2000.



Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 72: Central administration balance, Bogotá 1988-2000**

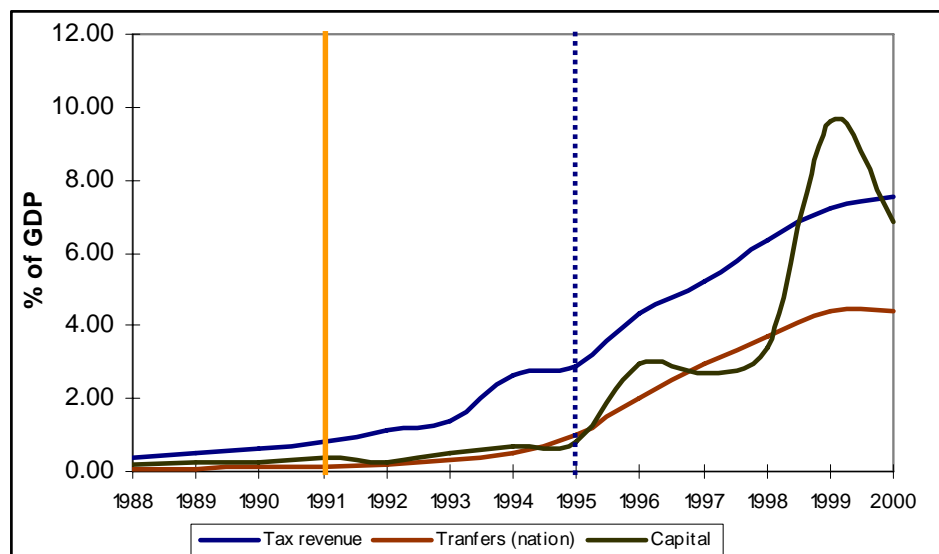
In 1992, the city's finances were in crisis; its capacity for generating income was very low and its level of indebtedness very high. The establishment of the new statute for the city (EOB), by Decree-law 1421 of 1993, provided Mayor Castro with the legal support to promote an unprecedented fiscal reform (Rojas 2002). In 1993, he introduced a city improvement tax, *impuesto de valorización general*, in 1994, he introduced the property self-valuation system and changed the tax base for industry and commerce (Rojas Lopera and Gutiérrez 2002). Mayor Castro partially refinanced the internal debt and issued domestic bonds for the internal market. In addition, he concluded the liquidation of the city's garbage collection company. He initiated the negotiation of an important loan from the World Bank to improve the city's infrastructure, which was granted in the first administration of Antanas Mockus, and executed in the administration of E. Peñalosa (Cámara de Comercio de Bogotá 2000, p.22). Between 1992 and 1994 the city's income increased by 34.8.5 percent. Figure 73 illustrates the government income as a percent of Bogotá's GDP.



Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 73: Public income participation in GDP, Bogotá 1988-2000**

In 1995, the new mayor, Antanas Mockus continued the process of strengthening the city's tax base. He consolidated the budget reform, simplified the industry and commerce tax (ICA), established a surcharge of 14 percent on the price of gas. The gas tax, one of the most dynamic taxes, accounted for 0.3 percent of total revenue in 1995, 7.1 percent in 1996 and 9.6 percent in 1998 (Rojas 2002, p.19). In addition, Mockus began the capitalization of the city's electric company; Mayor Mockus aim was to increase investment and improving efficiency. In 1995, the city received total responsibility over public education and health. In order to support the city's new responsibilities, the nation increased the amount of transfers to Bogotá. The increase in transfers from the nation added to the already increasing income. Figure74 shows the amount of the city's GDP attributed to national transfers, capital, and taxes.



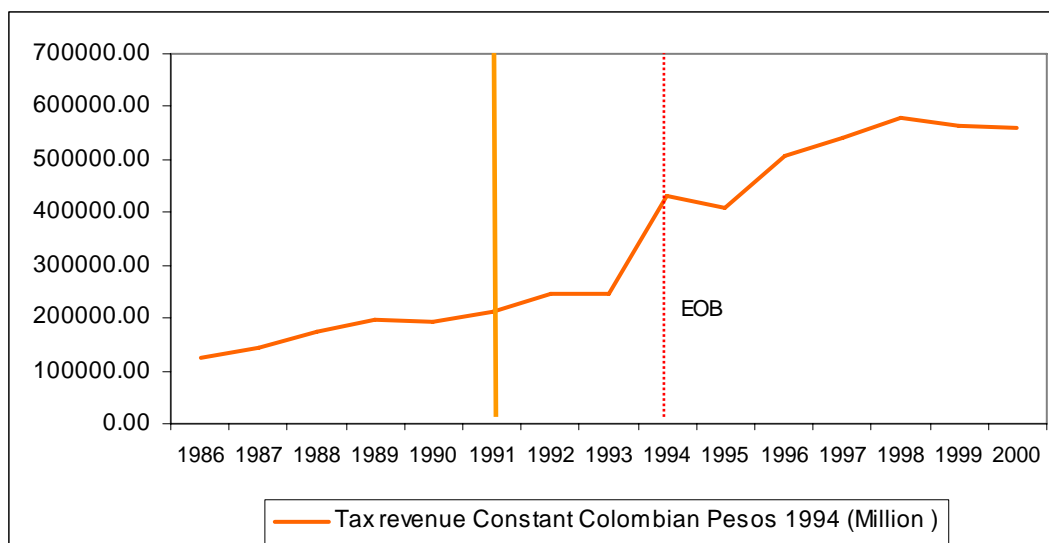
Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 74: Transfer, taxes and capital participation in GDP, Bogotá 1988-2000**

In 1998, the new mayor, E. Peñalosa, raised the surcharge on the price of gas to 20 percent, concluded the capitalization of the city's electric company, which represented an income of 970 billion pesos, which generated an increase in capital resources of 144 percent (Guzmán and Gutiérrez 2000, p.14). This inflow of capital is illustrated in figure 74.

What also is indicated by figure 74 is the steady contribution that taxes represent for the city's income. As mentioned by Campbell, *"In cities all across the region, taxpayers generally agreed to new tax burdens when elected officials could demonstrate through concrete improvements that tax revenues were at work in visible and verifiable ways"* (Campbell 2003, p.7).

Income from tax collection is a good indicator of efficiency, as the government must persuade the citizens to contribute, by showing a direct relation between tax payment and successful policies. The income from tax collection in the city significantly improved after the introduction of the new city's statute (EOB) in 1993, which gave the city the autonomy to modify the tax collection system. Figure 75 presents the tax collection change from 1986 to 2000.

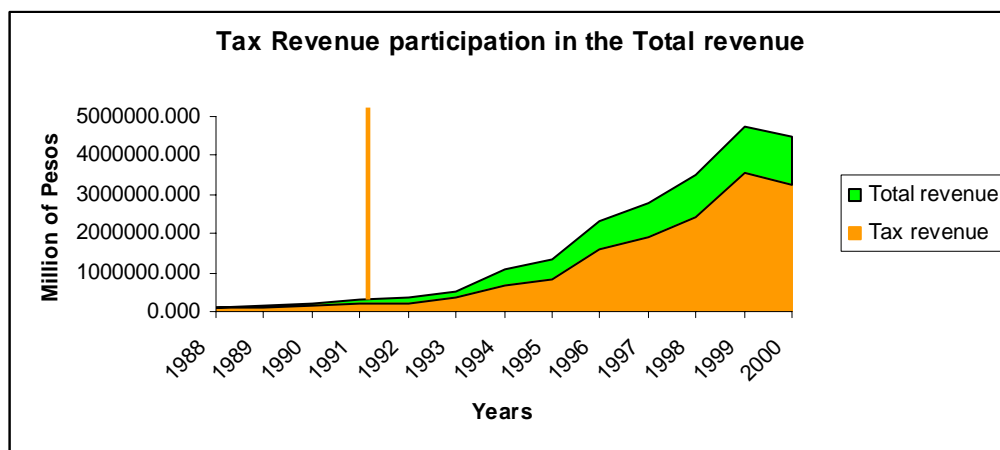


Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 75: Tax revenue in Bogotá 1986-2000**

The more an administration is able to ensure an efficient collection of taxes, the less it is dependent on other sources of income. The proportion of taxes in the GDP of the city shows the amount of contribution in taxes. In the administration of Andrés Pastrana, the percentage of tax income in the GDP of the city was 0.38 percent; in 1989, it was 0.52 percent. During the administration of Juan Martin Caicedo, taxes increased to .61% of the GDP in 1990 and to 0.82 percent in 1991. From 1992 on, tax collection showed a systematic improvement as the administration reduced evasion by introducing incentives and penalties to promote tax payment (CCB 2001).

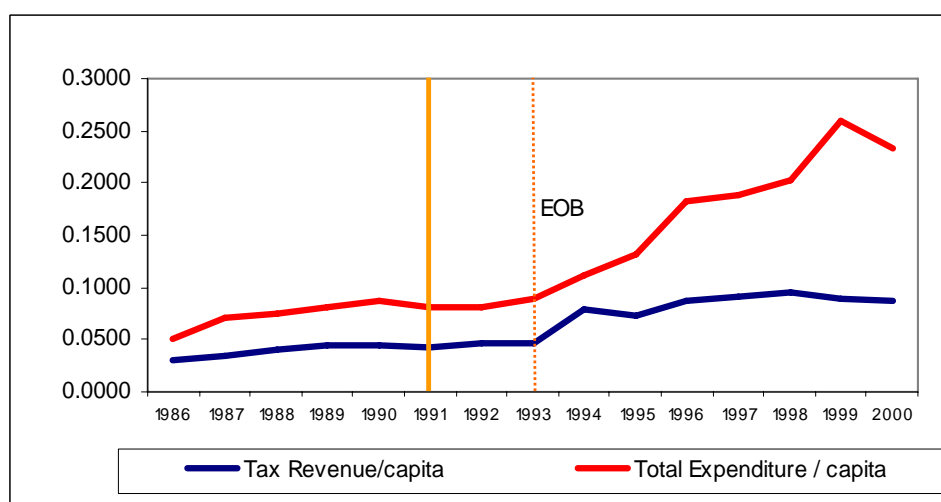
In 1992, taxes accounted for 2.65 percent of the city's GDP, and represented 67.72 percent of Bogotá's total income. In 1994, the taxes still accounted for 2.65 of GDP, but represented 66.23 percent of the total income. In 1997, taxes increased to 5.23 percent of the city's GDP to 5.23 percent, but only 46.87 percent of the total income. In 2000, the income from taxes was 7.53 percent of the city's GDP, accounting for 39.42 percent of the city's total income.



Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 76: Tax revenue participation in total income, Bogotá 1988-2000**

The evidence indicates that the administrative reform of the central government in Bogotá strengthened the capability of the city to collect taxes. Nevertheless, expenditures outpace the income produced by tax collection, and the city had to search for additional resources mostly by contracting debt. Figure 77 illustrates the city's degree of dependency measure by the relation between tax revenue per capita and per capita expenditure.



Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 77: Degree of dependency, Bogotá 1988-2000**

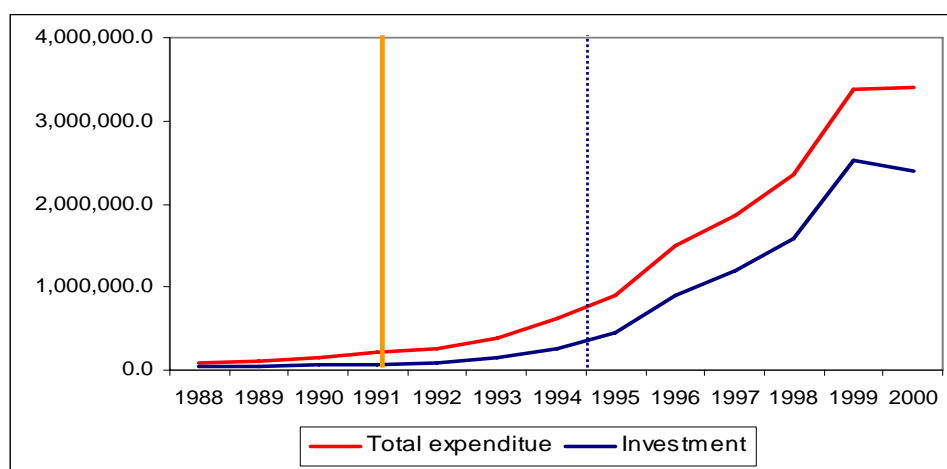


**8.4.2.2 Expenditure** It is clear that the city has had more money than before, by reviewing how this new income was spent is one of the measures of efficiency. There are three main sources of expenditure: administrative costs, investment and debt service.

From 1988 to 1990, during Andrés Pastranas' administration, the total expenditure was 349,767.74 million, of which 40 percent went to investment and 43 percent to current expenditures, which included functioning costs. During this administration, the amount of debt was increased by 84 percent (in constant 1994 pesos). Between 1990 and 1992, during the administration of Juan Martín Caicedo, the total expenditure was 621,946 millions, from which 34.3 percent went to investment and 49 percent to current expenditures; the debt increased 88 percent (in constant 1994 pesos).

After 1992, in compliance with the administrative reform promoted by the EOB, the goals were to reduce the government's administrative costs, to increase investment, and to carefully manage the indebtedness policies. After Jaime Castro "healed" the city's finances, the level of investment grew steadily, and the administrative costs of governing were significantly reduced.

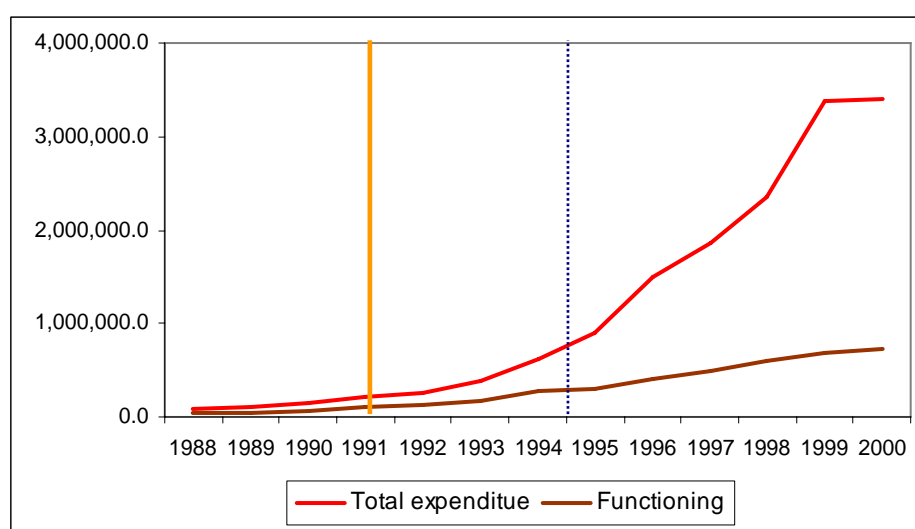
Jaime Castro's invested 269 billion pesos in transportation, which grew to 627 billion during the Mockus administration, and to 3 billion pesos during the administration of E. Peñalosa (Cámara de Comercio de Bogotá 2000, p.22). In addition, there was a significant increase in social investment, as reviewed in [subsection 8.3.3](#) of the chapter on equity. Figure 78 compares the amount of investment to total expenditures, 1988 to 2000.



Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 78: Investment participation in total expenditure, Bogotá 1988-2000**

In order to improve efficiency, the technical capacity of the central government needed to be improved, corruption reduced, and accountability needed to be enhanced. Resources were directed to increase institutional capacity and reduce administrative costs. A common policy of the Castro and Mockus administrations was reducing the numbers of personnel in public institutions. Administrative costs, which accounted for 45 percent of the total expenditure in 1990, were reduced to 26 percent during the Mockus' administration, and to 20 percent during the Peñalosa administration (Guzmán and Gutiérrez 2000, p.14). Figure 79 compares administrative costs with total expenditure.

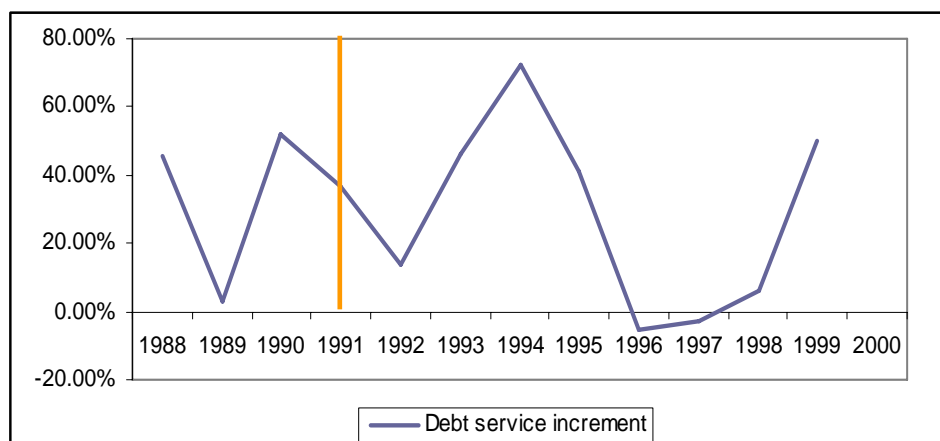


Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 79: Participation of functioning costs in total expenditure, Bogotá 1988-2000**

The third source to consider for evaluating expenditure is the debt service; which depends on the terms of the lending agreement; any change in the terms of the contract greatly affect the debt service. According to a study from the city controller's office, from 1986 to 1995, the debt service increased faster than the debt itself. Bogotá paid for debt services 3 billion pesos, while the total amount of the debt was 2.6 billion pesos (Contraloría Distrital 1996, p.15).

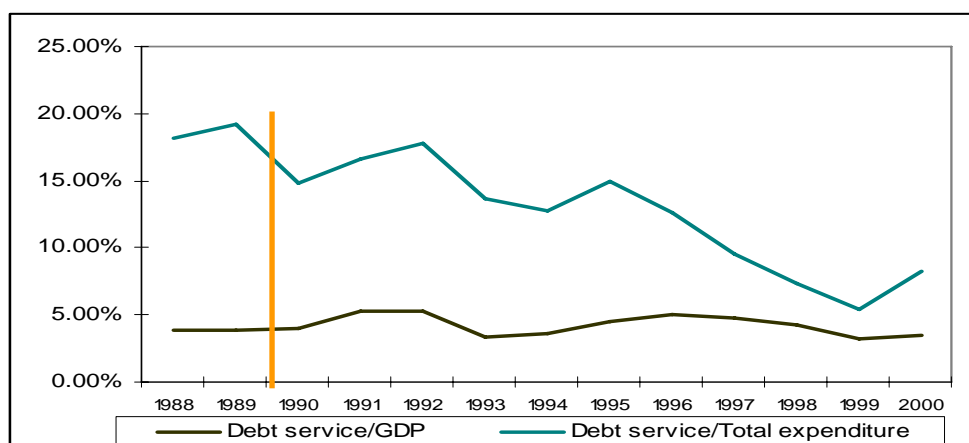
Figure 80 illustrates the debt-service growth rate from 1988 to 1999.



Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 80: Debt service growth rate, 1988-2000**

In order to decrease the debt burden, Castro refinanced the public enterprises debt, Mockus refinanced the central administration's debt, and Enrique Peñalosa used part of the income from the capitalization of the EEB in a prepayment for decreasing the amount of debt services. According to data from the city's Treasury, after the period between 1992 to 1994 in which the debt service was reduced, the total expenditure on debt service increased by 3 percent in 1995. From 1996 to 1999, the proportion of the total expenditures allocated to servicing the debt, decreased from 12.6 percent to 5.4; in 2000, the proportion of the total expenditures allocated to servicing the debt increased to 8.4 percent. Figure 81 illustrates the proportion of the total expenditures allocated to servicing the debt.



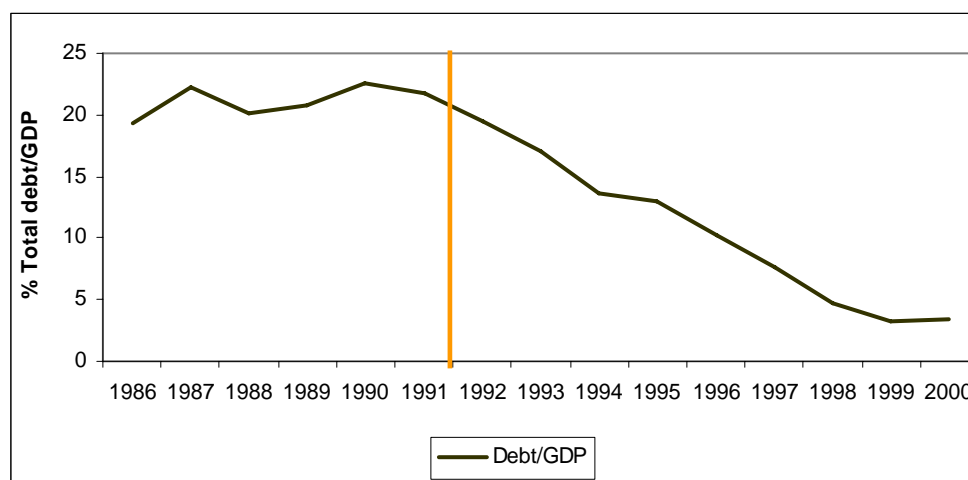
Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 81: Expenditures allocated to debt service, Bogotá 1988 to 2000**

An additional factor affecting the debt service as well as the debt itself is the currency exchange rate between dollars and pesos, which was not stable for most of the timeframe of this study; in 1985, it was 172.2 pesos per dollar, in 1990, it increased to 568.73 pesos per dollar and to 2,300 pesos per dollars in 2005.

**8.4.2.3 Public debt**<sup>157</sup> represents an important indicator of how healthy public finances are; it implies differed costs that run across time, affecting more than one administration. The objective of borrowing money is to optimize investment into the city and enhance its capacity to generate its own resources, thus it is to invest in the productivity of the city. No doubt, this is an oversimplification, but that is certainly the goal of public administrators, to consider all the intervening variables and options, and decide what is best.

A good indicator for evaluating the management of the debt is the stock index, which measures debt as a portion of the city's GDP. The stock index increased from 20.20 percent in 1988 to 22.61 in 1990, but decreased to 19.48 percent in 1992. From 1993 on, it has a decreasing trend, ending at 3.49 percent of GDP in 2000. Figure 82 illustrates the participation of the central government's debt in the city's GDP from 1986 to 2000.



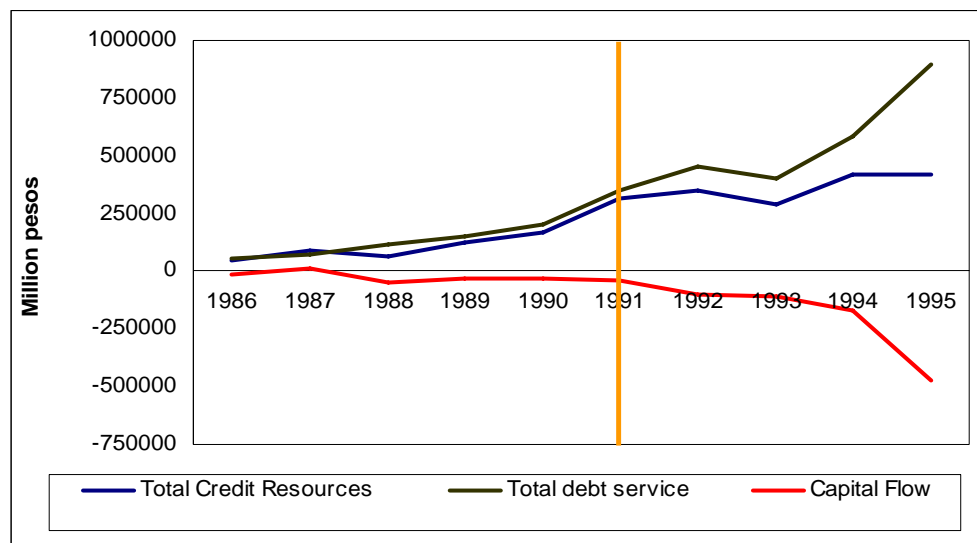
Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 82: Total debt as part of the GDP, Bogotá 1986-2000**

<sup>157</sup> Jorge Armando Rodríguez, professor in the Department of economics at the Universidad Nacional de Colombia, generously provided advice for this subsection.

Another indicator for evaluating debt management is the amount of debt compared to the current income of the city. According to a research conducted by the city's treasury, the amount of debt compared to the current income has decreased since 1993, and remained stable at a value of 47.5 between 1997 and 2000 (Guzmán and Gutiérrez 2000, p.19). Finally, one another important way to assess the management of the public debt is to examine its sustainability, meaning whether the long term obligation represented by the interests rates and the cost of administration will be higher than the contribution of the credit itself.

**Debt Sustainability** The first indicator chosen to measure debt sustainability<sup>158</sup> is capital flow, which refers to the relationship between the debt service and capital resources. According to a study from the city's controller office, between 1986 and 1995 the city's capital flow was negative, which means that the amount paid for servicing the debt was higher than the amount the city received from the actual loan. The same study attributes the deterioration of sustainability to an increase in interest rates and the devaluation of the Colombian peso (Guzmán and Gutiérrez 2000, pp.16-17). Figure 83 illustrates the city's capital flow from 1986 to 1995.



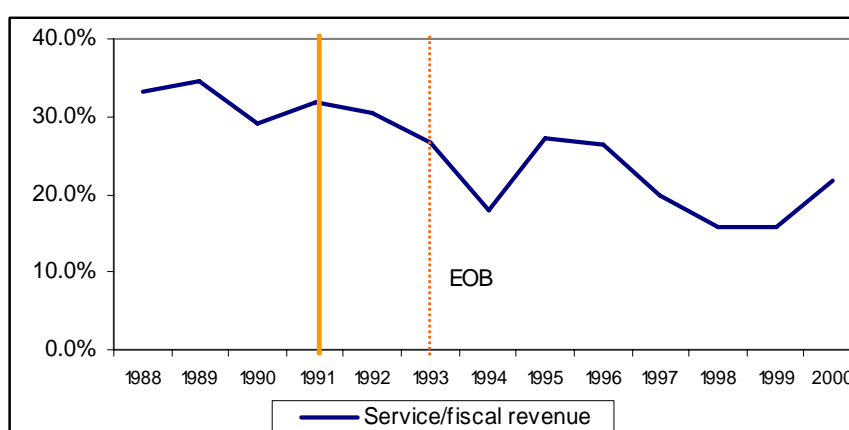
Source: Evolución de la deuda pública Distrito Capital, 1986-1995

**Figure 83: Capital flow, Bogotá 1986-2000**

<sup>158</sup> Due that, there are several indicators for evaluating debt sustainability, which may affect the results, two indicators were chosen; debt sustainability measurement is a current source of debate among economist.

According to this indicator, the sustainability of the debt has been deteriorating. Certainly the city paid more debt services from 1992 on, which is consistent with the policy of refinancing the debt and finding alternative sources of funding. During the Mockus administration, in June of 1996, the city signed a loan for US\$65 million for investment; this was the first loan ever signed between a municipality and the World Bank.

The relationship between fiscal revenue and debt service is the second indicator for evaluating sustainability, which is suggested by the IMF for low-income countries (IMF 2003); According to this indicator, the debt sustainability in the city has improved steadily from 1991 on. Figure 84 illustrates the relationship between fiscal revenue it from 1988 to 2000.



Source: data from Estadísticas históricas de Santa Fe de Bogotá (DAPD 2000)

**Figure 84: Debt service as a percent of fiscal revenue, Bogotá 1988-2000**

**8.4.2.4 Investment risk rates**<sup>159</sup> Bogotá has the best international risk rate in the country, reflecting the good performance of local finances. According to the risk investment rate, Bogotá is a good place to invest, because of its payment capacity, solidity and credibility. In 1996, the city issued a series of domestic bonds; on that occasion the city's solvency was evaluated by Standard & Poor's, and the agency granted the city a risk investment grade of BBB- (Guzmán and Gutiérrez 2000, p.22). Table 76 presents the risk rates assigned to Bogotá from 1996 to 2000.

<sup>159</sup> The risk investment rates are presented in Annex XX.

**Table 76: Risk Investment rates, Bogotá 1996-2000**

Year	Duff & Phelps (Hoy Fitch)		Standard & Poor's	
	Foreign	National	Foreign	National
1996			BBB-	BBB-
1997	BBB	A	BBB-	BBB-
1998	BBB	A-		
1999	BBB-	BBB-	BBB-	BBB-
2000	BB	BBB-	BB	BBB-

Source: Evolución y estado de las finanzas públicas de Bogotá en la década de los noventa y perspectivas

Bogotá was the first municipality in Latin America to receive an investment grade rating according to international standards; furthermore, only three countries in Latin America, Chile, Colombia and Uruguay, have been rated by international agencies (Cámara de Comercio de Bogotá 2003, p.22). The city's credit rating facilitates its direct relationship with international financial organizations.

## **9.0 FOR THE PEOPLE, WITHOUT THE PEOPLE DISCUSSION AND RECOMMENDATIONS**

*“An inclusive city is a place where everyone, regardless of their economic means, gender, ethnicity or religion, is enabled and empowered to fully participate in the social, economic and political opportunities that cities have to offer”*

The Global Campaign on Urban Governance, 2000

The study aims to contribute to the quest for good governance in cities around the world; it assumes that cities are critical arenas for development, not only for economic development but more importantly for political development. Cities have been the privileged setting for modernity, the link between the agora and the commune, the public space. It is cities where anonymity became possible and where diversity became identity. Citizens belong to the city, which in turn belongs to them; it is a space of freedom, or at least it should be. Yet, cities also possess the most contradictions; in cities, the ideals of modernity combine with all the limitations and potentials of humanity.

This chapter presents a summary of the lessons learned from conducting a thorough study on the process of decentralization in Bogotá, and the effects of it on the system of governance, as measured by three key variables of good governance: participation, equity, and efficiency.

### **9.1 LESSONS FROM THE STORY OF DECENTRALIZATION**

***Lesson one: history counts.*** The review of the process of decentralization in Bogotá confirms the critical influence that preexisting social and political conditions have had on the outcomes of the process. This coincides with the findings of a study from the Woodrow Wilson Center on decentralization and governance in Latin America; according to the study, the level of success of



decentralization can not be viewed outside the historical and political context in which it is implemented (Tulchin and Selee 2004, p.5).

By recognizing the past, policy makers can incorporate its lessons into the present; even more importantly, it helps us value the social and political capital accumulated through time. In Bogotá, the lack of consideration of the political culture and structures that were in place before the reform impeded the recognition of the limitations and strengths embedded in the system, particularly in the local systems. Preexisting organizations and forms of participation were disregarded and left out of the public policy process; the result is the overlapping of new and old structures, new and old institutions, which unless brought together, often results in much fragmentation and conflict. The top-down approach of the reform and lack of flexibility of the central government impeded the recognition and incorporation of the social and political capital accumulated in preexisting forms of organization and participation.

An overall lack of continuity has historically characterized the political culture in Colombia, and was clearly present in the implementation of the decentralization reform. Many changes were made to the legal framework, the procedures, and the formal and informal framework regulating the relationship between the central government, the local authorities, and the local communities. Institutions were created and eliminated, with high costs to the city, such as the case with the local directions of health, which were implemented by one administration only to be dismantled by the next.

Another pervasive problem of the Colombian political culture that has affected the local electoral contest is factionalism. As mentioned by Kline, factionalism is the political heritage of the National Front (Kline 1995, p.49). Given the level of factionalism, the difficulty of aggregating and personalizing interests should not be surprising; it is a longstanding tradition in Colombian politics.

***Lesson two: level and size matters.*** Findings from this study confirm the fact that the level and size of the political arena is a critical variable for understanding how politics work in order to promote democracy. Decentralization was intended to enhance governance by bringing the state close to the citizens; in practice, it means to change the government's scale, to make it smaller and more horizontal.

An empirical study conducted by Olliver looked at the relationship between size and political participation. According to his findings, “*smaller municipalities make participation easier, make citizens feel more empowered and interested in their communities, and bring neighbors together*” (Oliver 2001). Moreover, according to Oakerson, decentralization also strengthens political representation, “*Higher levels of citizen participation in metropolitan areas coexist with what I would term ‘strong representation’ [...] Strong representation has two principal dimensions: (1) it is community-based, and (2) it features low ratios of citizens to elected officials.*” He concludes, “*The typical metropolitan-suburban pattern amounts to an extraordinary investment in representation*” (Oakerson 2004, pp.34-35).

Findings from this study confirm the previous arguments. In Bogotá, the formalization of localities as political arenas attracted a lot of participation, around both community issues and elections. Despite limitations and problems in the quality of participation, certainly, the new local governance represented a more appropriate scale for Bogotá, due to the size of the city and the level of social fragmentation. Localities were a new space for political players to compete, in which local competitors have proven capable of competing with the traditional political forces, despite the inequality in resources and experience. Recent local elections have attracted the same level of participation than the elections for Mayor and city councilors, and the level of participation continues to increase at a higher rate.

A new level of analysis, the local level, was added to the city; problems that were ignored before were recognized and local representatives have been able to attend to local demands that were before unknown. Finally, the difference in size of the city’s localities is central to the current debate on decentralization in Bogotá, as it necessarily affects the quality of participation and representation. While the district of La Candelaria has one representative per 3,944 inhabitants, the locality of Kennedy only has one representative per 83,783 inhabitants. The differences in rate of representative per inhabitants differ as much as from 83,783 inhabitants.

***Lesson three: public policy needs planning, consistency, and flexibility.*** The decentralization reform in Bogotá was not an initiative that came from the city, but a constitutional mandate. Because its implementation was not a choice for the city leaders, the much needed discussion that should have occurred before implementing such an important public policy was never carried out. There was never a minimum consensus regarding the model of decentralization, the

strategies to implement it, or even the problems that decentralization would solve. In consequence, different and contradictory interpretations and expectations about decentralization continue to coexist in the city. The mayors implemented the reform according to their own interpretation, which resulted in many discrepancies in the policy approach. The lack of consistency and continuation created confusion and disappointment particularly in local players.

In practice, two different formats of decentralization have prevailed, one has been deconcentration, the central government located its representatives in the localities, while the control stayed centralized; the service is brought closer to the citizens. The other, more in line with the new constitution's aims, resembles devolution of power; local representatives are elected and they have access to an "independent" budget. Neither the differences between the two approaches, nor their implications have been recognized, in consequence the two models coexist in conflict; the result is a duplication of efforts and the emergence of local conflicts between local authorities and local representatives of the central government.

The overlapping interpretations has also impeded a clear distribution of responsibilities between central and local authorities. In addition, the lack of flexibility to incorporate local political players into the decentralization proposal weakened the likelihood of the reform to succeed.

Finally, unplanned decentralization adds difficulties for coordinating actions and ensuring efficiency, which is critical for equity. In fact, many efforts intended to enhance the capacity of the government to deliver services efficiently were hindered by the lack of coherence and coordination among central and local authorities.

***Lesson four: it is about people.*** As mentioned by Hall and Pfeiffer, "*Decentralization must not be seen as the result of a generous central government giving away powers it owns. Decentralization is an optimization of power and responsibility which belong to the people; the people have to decide how best it suits them to express and organize their political will*" (Hall and Pfeiffer 2000, p.169).

In Bogotá, the prevailing model has been paternalistic; people have been invited to participate, instead of being recognized as critical actors in the city's political life, with its limitations and potentials. The central government created a wide set of participatory

mechanisms for the people, though it never recognized the value or potential of preexisting organizations and forms of participation, such as social protests.

Due to the lack of inclusion of the people in the discussion and implementation of the decentralization reform, citizens never identified with the process, but rather saw it as a proposal from a not-so-generous central government. They have neither supported nor resisted the reform, but have continued to watch the central government govern.

The people of Bogotá know very little about decentralization or politics. A survey conducted in Bogotá on knowledge about the local authorities and their functions showed that the *Bogotanos* know little about the political life in the city, the country and their localities (Pizano 2001, p.70). This finding is consistent with the report from the World Bank on successful decentralization reforms; according to the report, one of the errors that ought to be avoided is “*not preparing and disseminating reliable and exact information about all aspects of decentralization*” (Giugale and Webb 2000).

***Lesson five: it is about power.*** Participation and representation are complementary; they are different strategies of political involvement, from which people can choose. Nevertheless, in Bogotá due to the lack of clarity in the distribution of power among central and local authorities, and a lack of trust by the central government toward local elected officials, a conflict has emerged between the recently created elected officials and local communities. People were called to participate in the process of making decisions about local development, and to elect their local representatives; nevertheless, the central government did not recognize the tier of government represented by the *ediles* or local mayors. People learned that the balance of power continued to favor the center and therefore it was with the center that one had to interact.

***Lesson six: public policy is a complex and contradictory process of hope.*** Gutiérrez Sanín, referring to the hopes and expectations created by decentralization, mentioned that what happened in Bogotá was a transition from hope to perplexity. “*The Bogotanos witnessed that, despite the creation of a radically new legal and institutional framework, the city’s political life resembles the past a lot, which they expected to change because of the new arrangements*” (Gutiérrez Sanín 1996, p.36).

Public policy implementation always creates new aspirations in the people, in particular in those that would benefit more from it. In Bogotá, citizens have contradictory perceptions about decentralization. Initially, the promise of a more accessible government and a more equitable distribution of power was enough to convince them of decentralization's virtues, at least initially. They still perceive it as a positive step toward democratization and inclusion, regardless of whether this is supported by empirical evidence. Nevertheless, they also perceive that the readjustment required for making decentralization real has not taken place yet. The sustainability of the process is difficult to predict, not because anyone would dare to propose a return to centralization, but because the ideals of decentralization increase the gap between the aspirations and achievements of the people of Bogotá.

Finally, because public policy is also about hope, this process could be seen as a process of incremental learning in the city. Bogotá has become an example for the country; it has shown an alternative view to politics; it has resisted the temptation of war and remains the chosen refuge for those in search of a future. While Bogotá's decentralization process illustrates the dynamics and difficulties of social and political change, it also illustrates the great potentials of democracy.

## **9.2 LESSONS ABOUT GOVERNANCE**

In order to change the system of governance, the civil society, the market and the State must have a minimum agreement that the change would be advantageous. In order to manage this level of competition between the different sectors, a government must have a certain level of maturity. In the case of Bogotá, one may think that with a decentralization reform with so many difficulties it would be somewhat ingenuous to look for impacts in the system of governance in Bogotá creditable to the reform. Yet, this is the nature of politics, it is about different interests, different meanings, and different views, it involves people with different identities; it is supposed to be difficult. The evidence shows that there above all, decentralization has caused an explicit change in the governance agreement.

**Lesson one: it is about conflicting institutional and structural conditions.** According to Mayntz, there are certain institutional and structural preconditions that need to be in place for the emergence of good governance. She affirmed,

*“Effective modern governance can only emerge in societies that meet certain institutional and structural preconditions, both on the side of the political regime and on the side of civil society. Political authorities must be powerful, but not omnipotent. They must be democratically legitimated [...] Political authorities must, in other words, be in a general way acceptable as guardians of public welfare. The second essential precondition is the existence of a strong, functionally differentiated, and well organized civil society. To make negotiation with opposite interests and with state authorities both necessary and meaningful, interest organizations must be sufficiently autonomous and resourceful. Finally, there must exist among the different social groups and organizations at least a minimal sense of identification with, and responsibility for, the greater whole, in short, a common identity” (Mayntz 1998).*

What the case of Bogotá illustrates is that change may occur in the midst of conflicting and contradictory institutional and structural conditions. It may not be a systematic and controlled change, and it will come with significant difficulties and unbalances, yet it is change.

Due to the manipulation of power, the practices of political exclusion and the level of social fragmentation, the level of legitimacy of local authorities was traditionally very low, even when their actions appeared to promote public welfare. Yet Bogotá has also a history of public administrators that, despite their failures, were capable of keeping together a very diverse and fractured society. There is certain level of legitimacy in the city that most of the country does not have.

Bogotá does not have a strong, functionally differentiated and well-organized civil society. Yet, the city has been a leader in coordinating urban protests around the country, and survived two terrible violent events, the death of Jorge Eliecer Gaitán and the burning of the palace of justice with the supreme judges of justice on it. Important and recognizable changes have occurred in the city as result of the decentralization reform, whether intended or not. However, they are still insufficient in terms of fulfilling the aspirations of the people.

**Lesson two: it is about power.** Inclusiveness means that more people should be included in the system and given access to resources; it is about sharing power. As mentioned by Peters and Pierre, *“The broader issue for any self-governing jurisdiction is distributing power among lawful organizations and institutions so as to establish a governance regime that ensures a satisfactory balance among competing interest and values (Peters and Pierre 2003, p.21).* The distribution

function of governing requires a government committed to the common good rather than to interest groups.

In the case of Bogotá, although there are new players in the system, they are not strong enough yet to produce a change in the rules of the game. The reorganization of the system of governance requires a tangible redistribution of power; otherwise, the legitimacy of the institutions and its structures could deteriorate to a level in which the governability of the city may be threatened. As mentioned by Peters, “*Involvement without the capacity to make the system perform to implement the decisions made in an open manner may be alienating, and may be one of the emerging problems of contemporary democratic systems*” (Peters 2003).

It is better to avoid political compromises unless there is the willingness to fulfill them. One must be very careful in promising changes that are not likely to occur, as greater expectations bring greater frustrations and greater discontent.

***Lesson three: it is about using differences for the better good.*** Good governance requires that, despite differences, all players in the system assume their share of responsibility for the common good. In Bogotá there have been important advances in the participation of the private sector in public business. As mentioned by Torres Melo, the presence of the private sector in urban development is not new, but its role in the city politics surely is (Torres Melo 2003). The participation of the private sector has nevertheless serious limitations, as it depends on the good will of those cooperating; there are not new institutional arrangements or incentives to promote a long-term commitment.

The lack of flexibility from the central government in accepting and recognizing preexisting institutions has impeded more participation. There are informal institutions that have been unable to utilize the new formal channels for participation; in Bogotá, not many people have the time or the resources to be part of formal organizations, yet they are capable of creating contingent organizations and solving common problems when needed.

### 9.3 CONCLUSIONS

*Has the decentralization reform had an impact on the city's system of governance that makes it substantially different from the previous system, in terms of its political and programmatic capacity and characteristics?*

This was the main question triggering this study; the answer does not appear to be as straightforward as desired. All of the indicators reviewed confirmed that the political reform put in motion by the New Constitution has promoted significant changes in Bogotá. The interviews reflect a clear recognition that there was a specific point in 1991 (which could be extended until 1993 when the city's new statute [EOB] was issued) where decentralization occurred. Interviews, historical documents, and statistical data all recognize a specific "before and after" in regards to decentralization.

**Participation** increased significantly in the city; nevertheless, it was designed and proposed through a top-down approach, which corresponds to a more technical than empowerment-oriented conceptualization of participation (Torres Melo 2003). The proposal was not discussed with the citizens, and did not search for, recognize, or celebrate forms and structures of organization and participation that already existed in the localities. In addition, the expectations of those promoting the reform often blinded them from recognizing the needs, values, ideals, and potential of the people. The political capital accumulated through years of participation was not recognized, nor invested.

**Equity** was not a priority for any of the administrations reviewed and has not improved beyond service coverage. The deterioration of employment and increase of the informal sector enlarged the gap in income distribution and deteriorated the level of well-being of more people than ever in the city. Positively though the cities began to move from an asistentialistic approach to designing or at least thinking about public policies instead.

**Efficiency**, in terms of the management of the city, clearly improved, and the city has been recognized internationally for its administrative and financial achievements; unfortunately, the



better management is not reflected in a more efficient government capable of fulfilling its mission of granting security and welfare to the citizens.

Certainly there is more participation, both institutionalized and non-institutionalized, than before; enough to create confusion and disappointment. Social investment has increased significantly, and from assistentialism the city move to promoting social policies. The city's investment in infrastructure has increased service coverage significantly. The poor have some access to internet and gender appears very timidly in the political discourse of the city. The city's management is admired and recognized by international organizations, creditors, and other cities; its improvement appears unquestionable. Yet, there is more poverty and inequality has either remained constant or worsened; these problems can't necessarily be attributed to internal factors but were definitely not a priority for any of the governments. People were given a voice but no power; people have always had a voice, those in power that simply not heard.

It is a cleaner city, better organized, with a modern system of transportation, computers in beautiful libraries where poor kids can read. Yet it is the same city, with the south and the north, the poor and the rich, the corrupt and the clean; the same very fractured city where governing is almost impossible.

This study draws important implications for public policy theory and practice

**First**, the appropriateness of using the relation between expectations/aspirations and achievements to foresee policy outcomes; public policy aims at closing the gap between the aspirations and achievements of citizens, but, very importantly this relation changes when a new policy is introduced.

**Second**, policy implementation success or failure is highly contextual; therefore the context must be analyzed and understood in order to increase the possibilities for success and to introduce the appropriate adjustments during the process.

**Third**, the need to "translate" traveling concepts; which does not means changing the concept but translating it into the social and political culture where it is going to be implemented, or they get lost in translation.

**Fourth**, public policy should rely more on empirical studies than models, due to its practical nature; in the tradition of grounded theory, it is important to visit the field to learn from it not to prove the rightness of our models.

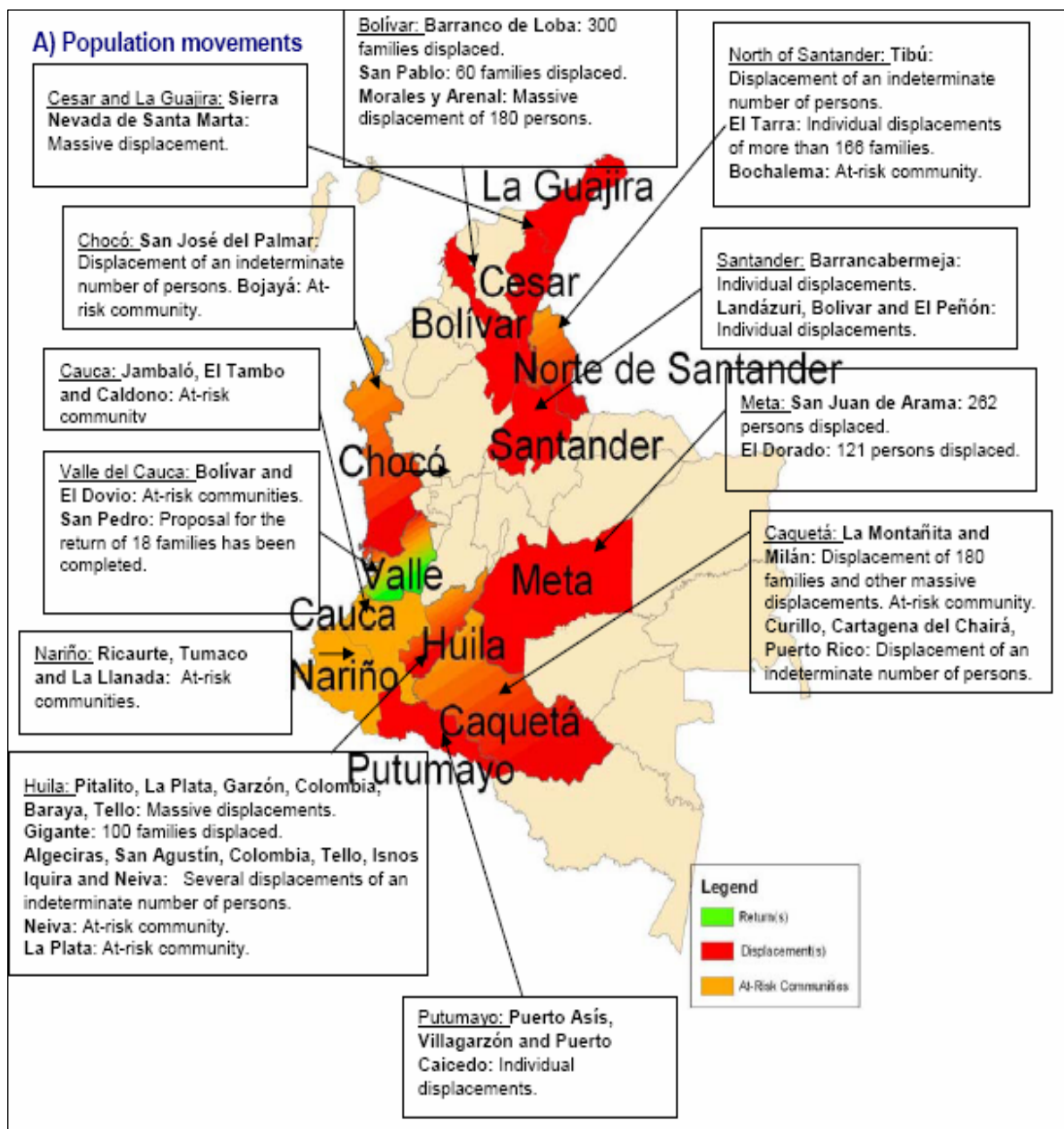
**Fifth**, more empirical studies are needed to close the gap between theory and practice in the relation between decentralization and (good) governance. Evidence from this case as from others is not conclusive but shows that the positive relation is not accurate.

Finally, it is important to acknowledge that one of the costs of a political reform is that people change their expectations; the cost of the promise of decentralization added pressure on the system of governance, and increased the distance between aspirations and achievement. If there were no local representatives, people would not expect to be represented; if there were no local planning meetings, people would not expect to make decisions about the city's investment; if there was no money to be allocated, people would not expect to receive it.

*It is my believe that there is a better system of governance in place, which could be tested by each one of the indicators reviewed; nevertheless, I do believe that the majority of those that are part of the system have more aspirations than before and may be more disappointed than before. While most people do recognize that positive changes have occurred, the changes have fallen short of what was expected. No one wants to go back but no one thinks we are quite there, yet.*

María Victoria Whittingham, Pittsburgh, February 2006

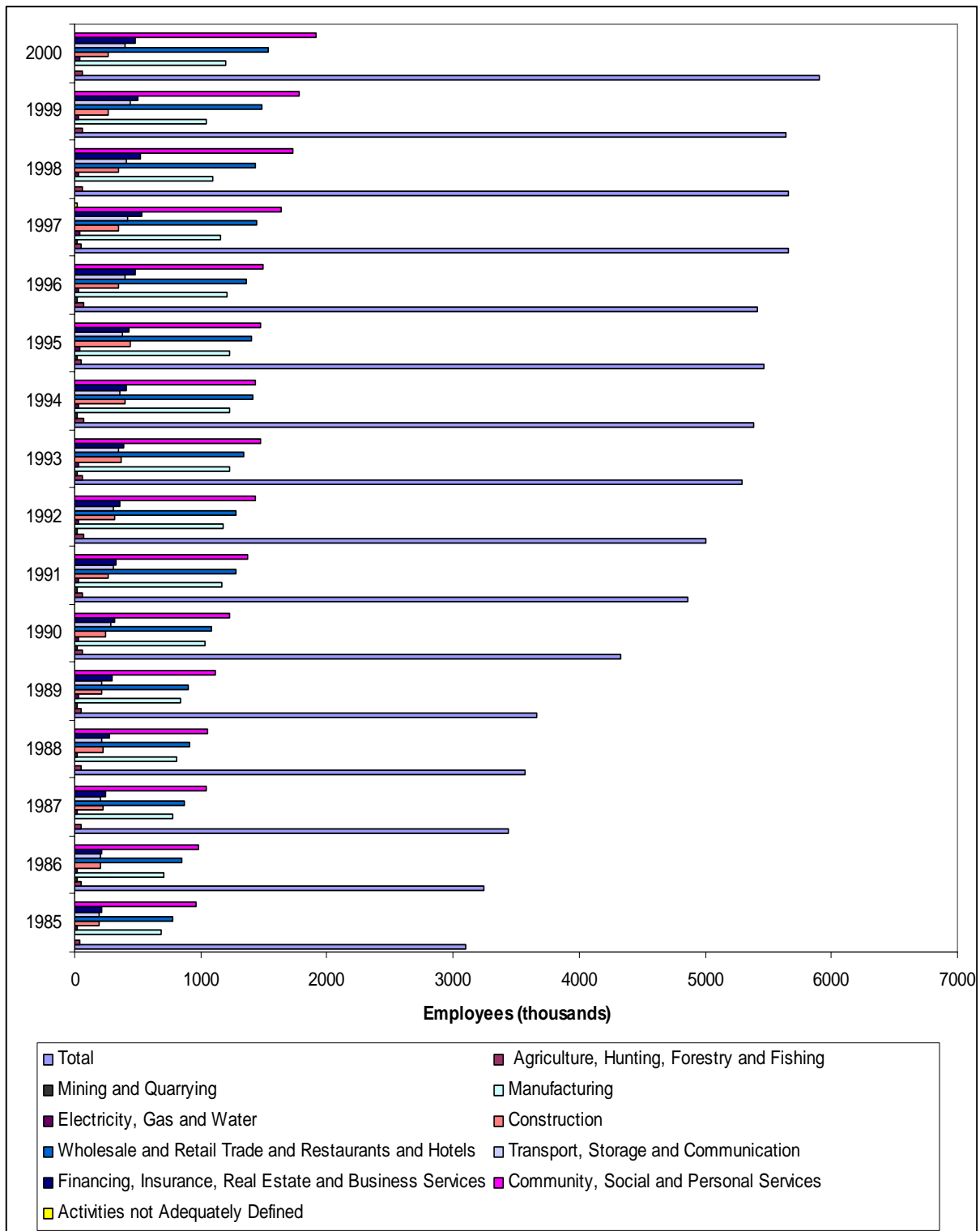
## APPENDIX A: COLOMBIA, DISPLACEMENT ZONES



Source: UN Humanitarian Situation Room, Colombian Report, Jan. 2004

**Figure 85: Colombia IDP zones**

## APPENDIX B: EMPLOYMENT BY ACTIVITY



Source: data from ILO, labor statistics data base, <http://laborsta.ilo.org>

**Figure 86: Colombia: employment by activity, 1985-2000**

## APPENDIX C: BOGOTA'S POPULATION GROWTH BY GENDER

**Table 77: Bogotá's population growth by gender**

Year	Men	Women	Total
1964	791,946	905,365	1,697,311
1965	840,379	982,789	1,823,168
1966	891,774	1,061,081	1,952,855
1967	946,313	1,140,186	2,086,499
1968	1,004,186	1,220,024	2,224,210
1969	1,065,600	1,300,516	2,366,116
1970	1,130,769	1,381,531	2,512,300
1971	1,199,923	1,463,077	2,663,000
1972	1,273,307	1,484,054	2,757,361
1973	1,351,179	1,503,886	2,855,065
1974	1,419,053	1,592,100	3,011,152
1975	1,490,336	1,685,437	3,175,773
1976	1,574,624	1,814,298	3,388,922
1977	1,698,488	1,893,988	3,592,476
1978	1,775,267	2,026,566	3,801,833
1979	1,888,715	2,137,112	4,025,827
1980	1,975,966	2,238,416	4,214,382
1981	2,009,484	2,249,368	4,258,851
1982	2,043,570	2,260,220	4,303,790
1983	2,078,234	2,270,968	4,349,202
1984	2,113,486	2,281,608	4,395,094
1985	2,029,427	2,273,516	4,302,943
1986	2,083,197	2,325,691	4,408,888
1987	2,142,098	2,384,970	4,527,068
1988	2,204,964	2,449,528	4,654,492
1989	2,271,366	2,518,302	4,789,668
1990	2,337,919	2,587,156	4,925,075
1991	2,406,263	2,655,742	5,062,005
1992	2,475,710	2,727,615	5,203,325
1993	2,550,100	2,805,880	5,355,980
1994	2,628,515	2,888,906	5,517,421
1995	2,706,584	2,971,758	5,678,342
1996	2,774,746	3,040,762	5,815,508
1997	2,844,556	3,112,437	5,956,993
1998	2,920,583	3,191,611	6,112,194
1999	3,000,751	3,275,677	6,276,428
2000	3,037,094	3,400,748	6,437,842

Source: DAPD, historical statistics 1950-1999 (CD).

## APPENDIX D: INTERNATIONAL AGENCIES DEFINITIONS

**Table 78: Good governance, definitions**

Agency	Governance	Good Governance
UNDP (Internet Conference Forum on “Public Private Interface in Urban Environment Management”)	Governance comprises the complex mechanisms, processes, and institutions through which citizens and groups articulate their interest, mediate their differences, and exercises their legal rights and obligations	Is among other things participatory, transparent and accountable. It is also effective and equitable and it promotes the rule of law. It assures that priorities are based on broad consensus in society and that the voices of the poorest and the most vulnerable are heard in decision –making over the allocation of development resources.
UN-ESCAP	The process of decisions – making and the process by which decision are implemented (or not implemented). Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance.	
The Commission on Global Governance	Governance is the sum of the many ways individuals and institution, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse operative action may be accommodated and cooperative action may be taken. It includes formations and regimens empowered to enforce compliance as well as informal arrangements that people and institutions have agreed or perceive to be in their interest.	
Novartis Foundation for Sustainable Development	Governance is the art of public leadership. There are three distinct dimensions of governance: <ol style="list-style-type: none"> <li>1. The form of political regime;</li> <li>2. The process by which authority is exercised in the management of a country’s economic and social resources; and</li> <li>3. The capacity of governments to design, formulate and implement policies and discharge functions</li> </ol>	
The governance Working Group of International Institute of Administrative Sciences	Governance refers to the process whereby elements in society wield power and authority, and influence and enact policies and decisions concerning public life, and economic and social development. Governance is a broader notion than government. Governance involves interaction between these formal institutions and those of civil society	
World Bank		Good governance is epitomized by predictable, open enlightened policy – making, a bureaucracy imbued with a professional ethos acting in furtherance of the public good, the rule of law, transparent processes, and a strong civil society participating in public affairs.

## APPENDIX E: INSTITUTIONS PROMOTING GOOD GOVERNANCE PROJECTS

- *The Institute on Governance*: a Canadian non-profit organization created in 1990 to promote effective governance. It concentrates in four themes: citizen participation, aboriginal governance, building policy capacity, and accountability and performance measurement.
- *The Canadian Centre for Management Development*: an agency of the Canadian government with a research agenda that focuses on modernizing governance around four sub-themes: citizens and citizenship, changes affecting representative democracy, the future role of government, and future public services reforms. Visit [www.ccmd-ccg.gc.ca](http://www.ccmd-ccg.gc.ca)
- *The World Bank*: that has funded several research projects on urban governance through its urban development section. The projects concentrate on promoting greater state responsiveness and accountability, and evaluating the relationship between governance and economic performance. Visit [www.worldbank.org/](http://www.worldbank.org/)
- *The Inter-American Dialogue*: an independent center for policy analysis on U.S.-Latin American economic and political relations. Its research agenda focuses on four themes: democratic governance, inter-American cooperation, economic integration, and social equity. Visit <http://www.thedialogue.org/>
- *The United Nations*: in particular the United Nations Development Program (UNDP) and the Center for Human Settlements (HABITAT). Two projects are particularly important, The Urban Governance Initiative-TUGI, a project developed and funded by UNDP, visit <http://www.tugi.org/>; and the Global Campaign on Urban Governance, a project lead by HABITAT, that aims to contribute to the eradication of poverty through improved urban governance, visit [www.unhabitat.org/governance](http://www.unhabitat.org/governance)

## APPENDIX F: GOVERNANCE RESEARCH PROJECTS

**Table 79: Research projects on Governance**

Organization	Program	Researchers	Description	Methodology	Cases	Funding
Institute on Governance	Governance Cooperative (1996)		<p>Informal network of public organizations, including government departments, parastatal institutions, and non-governmental organizations, seeking clarity at the conceptual and operational levels.</p> <p><i>Goals:</i> to gather information on experiences and lessons learned in governance interventions; to reflect on that experience and on thematic and operational capacity gaps; to disseminate the learning among Canadian and overseas partners.</p> <p><i>Conclusions:</i> Improving governance is a long-term endeavor; results and impacts are difficult to monitor; rigorous and systematic process of analysis needs to be built.</p>	<p>Workshops and action seminars, <u>research activities</u>, and documentation of organizational capacity in governance.</p> <p>Research method: <u>Case studies.</u></p>	<p>Strengthening the Capacity of legislatures in Russia, by the Parliamentary Centre</p> <p>Stakeholder Involvement in Municipal Planning by the Canadian Urban institute</p> <p>Promoting Legal Rights for Women in Guatemala by CECI</p>	CIDA- Canadian International Development Agency



Organization	Program/Research	Researchers	Description	Methodology	Cases	Funding
Inter-American Dialogue	Constructing Democratic Governance	Michael Coppedge, Harvey F. Klein, Anita Isaacs, Susan Stokes, Eduardo A. Gamarra, Diego Abente Brun, Juan Rial, Liliana de Riz, Ricardo Cordoba Macias, Edelberto Torres-Rivas, Mark B. Rosenberg and J. Mark Ruhl,	<p><i>Aims</i></p> <p>To analyze the sources of Latin America's current democratization tendency as well as the remaining obstacles to democratic governance.</p> <p>To understand what has been achieved and how.</p> <p>To illuminate what remains to be done.</p> <p><i>Conclusions:</i></p> <p>Democratic political norms and procedures are common throughout Latin America and the Caribbean, but effective democratic governance is far from consolidated; it has yet to be constructed in most countries of the region.</p>	Case Studies	Venezuela: The Rise and Fall of Patriarchy	National Endowment for Democracy, Ford Foundation, Mellon Foundation, William and Flora Hewlett Foundations, Carnegie Corporation.
					Colombia: Building Democracy in the Midst of Violence and Drugs	
					Ecuador: Democracy Standing the Test of Time?	
					Peru: The Rupture of Democratic Rule	
					Bolivia: Managing Democracy in the 1990s	
					Chile: The Political Underpinnings of Economic Liberalization	
					Paraguay Transition from Caudillo rule	
					Uruguay: From Restoration to The Crisis of Gobernability	
					Argentina: Democracy in Turmoil	
					Brazil: The Hyperactive Paralysis Syndrome	
					Nicaragua: Politics, Poverty, and Polarization	
					El Salvador: Transition from Civil War	
					Guatemala: Democratic Governability	
					Honduras: Democratization and the Role of the Armed Forces	
					Costa Rica: New issues and Alignments	
					Panama: Transactional Democracy	
					Caribbean Democracy: Decay or Renewal?	
					The Dominican Republic: An Ambiguous Democracy	
					Haiti: Four Old and Two New Hypotheses	
					Mexico: The Decline of Dominant-Party Rule	
					Cuba: Prospects for Democracy	

Organization	Program/Research	Researchers	Description	Methodology	Cases	Funding
World Bank*	Aggregating governance Indicators	Daniel Kaufmann, Aart Kraay, Pablo Zoido-Lobaton (1999)	<i>Aim:</i> Developed a new method for measuring governance by aggregating unobserved components.  <i>Conclusions:</i> available indicators provide imperfect signals of governance; it's possible to identify statistically significant differences at the ends of the distribution; aggregate indicators are not as precise but much more reliable than any individual indicator.	Unobserved components to construct composite governance indicators.	They test the method with 166, 156 and 155 countries respectively to rule of law, government effectiveness, and graft, as governance indicators.	World Bank
	Governance Matters	Daniel Kaufmann, Aart Kraay, Pablo Zoido-Lobaton (1999)	<i>Aim:</i> to explore the relation between governance and economic performance.  <i>Conclusions:</i> provide new empirical evidence of a strong causal relationship from improved governance to better development outcomes.	They organized six governance clusters of indicators. They related measure per capita income as the average of per capita GDP adjusted by purchasing power parity.	178 countries.	World Bank

\* These are projects selected from 64 research projects listed in the World Bank web page under governance.

## APPENDIX G: LIST OF ORGANIZATIONS

Organization	Web
Alcaldia Mayor de Bogota (City Major Office)	<a href="http://www.alcaldiabogota.gov.co">www.alcaldiabogota.gov.co</a>
Alcaldia Menor de Teusaquillo	<a href="http://www.segobdis.gov.co/teusaquillo/Inicio.html">http://www.segobdis.gov.co/teusaquillo/Inicio.html</a>
Archivo Distrital (Archive City)	<a href="http://www.alcaldiabogota.gov.co/archivo">www.alcaldiabogota.gov.co/ archivo</a>
Bogotá Cómo Vamos (Bogota, How are we going?)	<a href="http://www.fundacioncorona.org.co/gestion_local/proyecto_bcv.htm">http://www.fundacioncorona.org.co/gestion_local/proyecto_bcv.htm</a>
Camara de Comercio de Bogota (Bogota's Chamber of Commerce)	<a href="http://camara.ccb.org.co/">http://camara.ccb.org.co/</a>
Centro de Investigación y Educación Popular CINEP (Popular Education and Research Center)	<a href="http://www.cinep.org.co">www.cinep.org.co</a>
Departamento Administrativo de Planeacion Distrital (City's Planning Office)	<a href="http://www.dapd.gov.co/">www.dapd.gov.co/</a>
Concejo Como Vamos (City Council How is it doing?)	<a href="http://www.fundacioncorona.org.co/gestion_local/proyecto_bcv.htm">http://www.fundacioncorona.org.co/gestion_local/proyecto_bcv.htm</a>
Concejo de Bogota (City Council)	<a href="http://www.concejobogota.gov.co">www.concejobogota.gov.co</a>
Departamento Administrativo de Acción Comunal (Comunal Action Administrative Department)	<a href="http://www.accioncomunal.gov.co">www.accioncomunal.gov.co</a>
Departamento Administrativo de Bienestar Social (Social Services and Welfare Dpt.)	<a href="http://www.bienestarbogota.gov.co">www.bienestarbogota.gov.co</a>
Departamento Nacional de Planeacion (National Planning Department)	<a href="http://www.dnp.gov.co">www.dnp.gov.co</a>
Departamento Administrativo Nacional de Estadísticas DANE (Statistics National Department)	<a href="http://www.dane.gov.co">www.dane.gov.co</a>
Fundación Corona	<a href="http://www.fundacioncorona.org.co">www.fundacioncorona.org.co</a>
Fundacion Foro Nacional por Colombia	<a href="http://www.foro.org.co">www.foro.org.co</a>
Observatorio de Cultura Urbana (City's Urban Observatory)	<a href="http://www.culturayturismo.gov.co/investigacion/observatorio_de_cultura_urbana/?disp4=tab">http://www.culturayturismo.gov.co/investigacion/observatorio_de_cultura_urbana/?disp4=tab</a>
Oficina de convivencia y seguridad ciudadana (Security and Coexistence city's government office)	
Planeación Distrital (City Planning Office)	<a href="http://www.dapd.gov.co/">http://www.dapd.gov.co/</a>
Programa de Desarrollo De Naciones Unidas PNUD (Union Nations Development Programme)	<a href="http://www.undp.org">www.undp.org</a>
Red Bogotá	<a href="http://www.redbogota.com">www.redbogota.com</a>
Secretaria de Gobierno del Distrito (City's government secretaria)	<a href="http://www.segobdis.gov.co">www.segobdis.gov.co</a>
Secretaria de Hacienda Distrital (City's Treasurer)	<a href="http://www.shd.gov.co">www.shd.gov.co</a>
U.Jorge Tadeo Lozano	<a href="http://www.utadeo.edu.co/">www.utadeo.edu.co/</a>
Univerciudad	<a href="http://www.unal.edu.co">www.unal.edu.co</a>
Universidad de los Andes	<a href="http://www.unal.edu.co">www.unal.edu.co</a>
Universidad Externado de Colombia	<a href="http://www.uexternado.edu.co">www.uexternado.edu.co</a>
Universidad Javeriana	<a href="http://www.javeriana.edu.co">www.javeriana.edu.co</a>

## APPENDIX H: LIST OF INTERVIEWEES

Name	Profession	Position	Date
Alberto Maldonado	Economist	Researcher and Consultant-City's government secreatry	Tuesday, November 11, 2003
Alex-Smith Araque	Economist	Econometrist DAPD -City's Planning Office	
Angela Maria Robledo	Psichologist	Director -Departamento Administrativo de Bienestar Social (Social Services and Welfare Dpt.)	Thursday, November 27, 2003
Antana Mockus	Mathematician, philosopher	City's Major, 1998 and 2000 - City Major Office	Saturday, November 15, 2003
Carlos Carreño		Edil Santafé (local board member)	Thursday, January 27, 2005
Efraín Sánchez		Director, Observatory of Urban Culture	
Enrique Peñalosa	Economist	City's Major, 2000 and 2004 - City Major Office	Tuesday, November 04, 2003
Fabio Zambrano	Historian	Professor - Universidad de los Andes	Wednesday, November 12, 2003
Fridole Ballén	Economist	Economist-Security/ city's government office	
Gerardo Burgos	Lawyer and	Local relations secretary and manager of the political culture program under Antanas I	
Hipólito Moreno		City Council representative - City Council	
Jaime Castro	Layer, MA in Public manager, Senator and Vice-Minester	Mayor, 1992 -City Major Office	Monday, November 10, 2003
Jaime Silva	Industrial Engineer	Consultant	Tuesday, November 11, 2003
Jhon Wilson Buitrago		Professional - Camara de Comercio	
Jorge Bustamante		Head of Planning in Juan Martín's gov.	
Juan Martín Caicedo		Mayor, 1990 - consultor/empresario	Wednesday, November 26, 2003
Lariza Pizano	Master in Political Science, university professor	City Council representative	Friday, November 14, 2003
Luis Fernando Molina		Director Archivo Distrital	Thursday, November 27, 2003
Luis Ignacio Betancur		City's Treasure, Juan Martín Caicedo	

Margareth Flórez		Subdirectora equipo técnico- Fundación Corona	Tuesday, November 18, 2003
María del Rosario Bonilla		Consultora Localidades	Wednesday, November 19, 2003
María Fda. Sanchez		Directora - Bogotá Cómo Vamos	Tuesday, November 18, 2003
Martha Cecilia García	Researcher specialized in the city	CINEP	
Mauricio Gracia		Relatoria juridica - General secretariat office of the Major	Thursday, November 20, 2003
Paola Tovar		Researcher -2000 - City Major Office	
Paul Bromberg	Physicist , university professor	Mayor in 1998, edil of Teusaquillo, researcher, u. professor, and founder of Univerciudad	Tuesday, January 25, 2005
Raúl Lazala		Local mayor	Saturday, January 29, 2005
Raúl Velasquez		Attorney, researcher and Professor - Universidad Javeriana	
Susana Shuster		Local board member - Localidad de Teusaquillo	Wednesday, January 26, 2005
Tania Guzman	Sociologist	Researcher, Director - Concejo Como Vamos	
Thierry Lulle	Urbanist, university professor	French Researcher - Universidad Externado de Colombia	Tuesday, November 18, 2003
Hernán Suárez	Journalist		
Martha Martín	Economist, Master in Political Science	Director COL-Ciudad Bolivar, DABS (Social Services and Welfare Dpt.)	

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