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Introduction: The Political and Cultural Origins of Democratic Institutional Innovation

In the 1990s, as South America's party systems began to undergo serious crises, indigenous peoples formed electorally viable political parties for the first time. In Bolivia, Colombia, Ecuador, Guyana, and Venezuela, candidates emphasizing an ethnically indigenous identity and representing parties affiliated with indigenous social movement organizations gained control of local and intermediate governments, as well as a foothold in national legislatures. They became most successful in Bolivia and Ecuador, where today they dominate dozens of local governments and control significant blocs in Congress. In 2005 and 2002, respectively, indigenous parties elected the country's president.[1]

It is no accident that the new indigenous parties emerged at a time when public confidence in parties had plummeted. The failure of parties to reduce poverty and inequality, to protect citizens from crime and violence, to promote economic development, and to protect human rights two decades after the end of military rule generated declines in public support for parties and for democracy itself (Drake and Hershberg 2006: 10; Hagopian 2005: 320; O'Donnell 2004: 46–51; UNDP 2004: 62).[2] Latin American citizens view traditional political parties as corrupt, self-serving, incapable of addressing complex economic and social problems or protecting citizens rights and the rule of law, and unresponsive to increasing demands for action (Hagopian 2005: 321; Mainwaring and

[1] On indigenous peoples' formation of political parties see Birnir (2004, 2007), Collins (2000, 2001), Pallares (2002), Rice (2006), Van Cott (2000, 2003, 2005), and Yashar (2005, 2006).

[2] Public confidence in parties in Latin America fell to 11% in 2003, down from 20% in 1996 (UNDP 2004: 38).

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Hagopian 2005: 2; O'Donnell 2004). Voters are searching for representation alternatives that offer real solutions, as opposed to patriotic platitudes. Many are attracted to indigenous peoples' parties because they seem to provide an alternative. Amid the "disorientation of the post-communist ideological vacuum" (Merkl 2007: 340) indigenous parties offer a passionate critique of neoliberalism, political corruption, and foreign economic exploitation alongside an alternative vision of government accountability, economic justice, social solidarity, collective identity, and national sovereignty – albeit one that often lacks practical details.

The implications for democratic quality of the recent decline of Latin America's traditional parties have received significant scholarly attention (e.g., Coppedge 1998; Mainwaring 1999; Mainwaring and Scully 1995; K. Roberts 2002). But we have yet to learn much about the impact of the new indigenous parties on the quality of democracy. They have fulfilled their promise to indigenous constituents to improve descriptive representation by electing representatives who share the same ethnic and cultural characteristics (Mansbridge 2000: 100–1). Their rise to local, regional, and national office has transformed relations of power and challenged status quo views of the nation, the role of the state, and democracy. Their origin in social movements and representation of a "onetime despised minority" constitute a transformation of state–society relations.[3]

But indigenous parties promised more. For example, the Ecuadorian indigenous-movement-based party, Pachakutik Movement of Plurinational Unity (Pachakutik), promised to facilitate "the metamorphosis from utopia to reality" through the creation of "Alternative Local Governments" (Coordinadora de Gobiernos Locales Alternativos 2004: 3). Pachakutik candidates promised voters that they would provide a more participatory, intercultural model of democracy. And they proposed that this model serve as a model for the world. As one of Pachakutik's coordinators explained to me:

We believe that we were the first, the pioneers. Now there are other experiences in Ecuador, but we were the pioneers with respect to what is a participatory, democratic government, and we defined various areas. This is not done as an experiment but rather as a real exercise of power in order to demonstrate to the country and to the world what is possible, that it is possible to have other

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[3] Peter Merkl incorrectly identifies labor movements as the only "onetime despised minority" that has converted itself from a minority to a majority "party of government" (2007: 334–5). Bolivia's MAS achieved this in 2005 after only 10 years in existence – much swifter than labor movements, which typically took decades to reach that goal.

types of democracy where the society is taken into consideration. (My translation; interview, Benito Suarez, Quito, 21 June 2005.)

Similarly, at its 2003 Fifth Congress, the Bolivian indigenous-movement-based party Movement toward Socialism (Movimiento al Socialismo, or MAS) approved the following principles, among others:

To postulate a true participatory democracy of consensus, respect and recognition of the diverse social organizations, where the Communities and the people find their liberation from all forms of poverty, misery and discrimination without being subordinated or exploited. . . .

To consider Bolivia to be a multinational and pluricultural State integrated by living and existing together in mutual respect. . . .

The Movement toward Socialism expresses its profound commitment to the development of a Communitarian Democracy, of consensus and Participation, of social and economic content. This democracy must contain political mechanisms that constitute channels for links between government and all popular sectors. (My translation; Movimiento al Socialismo 2004a: 19–22.)

We are most likely to perceive the impact of indigenous-party governance at the local level in municipalities where parties have controlled some governments for a decade. Thus I focus on indigenous parties' experiences promoting institutional innovation in local government. As Hiskey and Seligson observe, local institutions are crucial for the construction of system support in ailing democracies (2003: 85). Promising local experiments in institutional design have the potential to inspire and provide useful models for democratic reforms with geographically broader impact. Local government reform is particularly important in democratizing poor countries because they typically are governed by weak states with a limited presence and a limited ability to provide services and protect rights throughout their territory. Thus I ask, after 10 years in local office, are indigenous parties fulfilling their promise to deepen democracy? If so, under what political conditions can an indigenous party serve as catalyst, designer, and executor of democratic innovation? Are indigenous-party-led governments offering anything more innovative than participatory budgeting overlaid with cultural motifs? Are "successful antisystem parties" (see Merkl 2007: 335) more suited than system-sustaining parties to comprehensive democratic reform? What value do indigenous political parties add to procedures that have been implemented elsewhere? More broadly, what does the experience of institutional reform in the rural Andes teach us about the prospects for improving democratic quality in democratizing ethnically diverse regions? I focus on political and

cultural variables that have received little attention from the literature on democratic reform in local government. That literature has tended to foreground the organization and actions of civil society as a catalyst for institutional change (Wampler 2008). Instead, I focus on two key actors that have received insufficient attention: mayors and political parties. I make three central arguments.

First, I argue that the political dynamics of decentralization and institutional design profoundly affect the quality of democratic institutional innovations and that these innovations promote higher-quality democracy when their institutional settings are flexible and the impetus for their adoption comes from municipal actors – chiefly mayors and civil-society organizations. Scholars typically distinguish between decentralization processes characterized by a "top-down" dynamic, in which national-level leaders initiate decentralization and design and impose uniform subnational institutions throughout the territory, and a "bottom-up" dynamic, in which the impetus for transferring political and administrative powers and the design of subnational institutions comes from the local or regional level (Eaton 2004: 8; Montero and Samuels 2004: 10–11; O'Neill 2004: 41). Between these extremes we find a balance of inputs from national, state, and local actors.

Ecuador and Brazil exhibit a mixture of the top-down and bottom-up approaches. Central-government elites in Ecuador facilitated decentralization by providing legal mechanisms that enable local governments to petition for responsibilities in specific policy sectors and by transferring national revenues to municipalities. But local governments must initiate this process, and they have considerable flexibility with respect to institutional design. This is unusual because it is the norm for national politicians to design subnational institutions (Eaton 2004: 32). In Brazil, as well, after the transition to civilian-elected rule in the 1980s, a coalition of reformers representing government and civil society promoted decentralization from the top down but gave local governments the freedom to develop their own organic laws and decision-making processes (Baiocchi 2005: 8).

Bolivia and Mexico exemplify a markedly more top-down approach. In the mid-1990s President Gonzalo Sánchez de Lozada imposed a rigid, universal model on 327 diverse municipalities. Since then, only modest refinements have been made in response to citizen complaints. Municipalities in 1995 were required to take responsibility for health and education provision and to adhere to a variety of complex restrictions regarding the allocation of resources. Bolivia's rigid, top-down dynamic, and the fact

that Sánchez de Lozada designed the 1994 Law of Popular Participation
(Ley de Participación Popular, or LPP) in part to improve his party's
future electoral chances (O'Neill 2004) evokes the Mexican decentraliza-
tion process. Mexico's central-state-led decentralization evolved slowly
and tentatively between 1980 and 2005. The process accelerated and
deepened in the 1990s after the central government imposed the National
Solidarity Program (Programa Nacional de Solidaridad, or PRONASOL).
After 1997, the ruling party lost control of Congress, greatly increasing
the amount of resources for local governments (Grindle 2007: 18, 164).
The Bolivian cases demonstrate that it is difficult for a national govern-
ment to impose a universal, rigid institutional design on diverse munic-
ipalities with distinct relations of power, political cultures, and geogra-
phy, for the same reasons that foreign governments have largely failed to
export democratic institutions abroad. Citizens are less likely to identify
with imposed institutions or to defend them from counterreform. And
imported institutions are less likely to address the particular governance
problems of a locality without the input of local actors. My findings
confirm Eaton's: The content of decentralizing reforms owes much to
the identity (state/civil society) and location (national/subnational) of the
actors who initiate the transfer of powers and resources and who design
the subnational institutions (Eaton 2004: 8). Other things being equal,
top-down imposition of participatory spaces is unlikely to result in deep-
ening democracy. Rather, as Wampler discovered in Brazil, there must be
a rough balance between state and society with respect to the impulse to
transfer power and authority (2008).

Owing to the distinct dynamics of decentralization and institutional
design, compared with the Bolivian cases, all of the Ecuadorian cases
demonstrate more democratic outcomes in terms of the quality of par-
ticipation and deliberation. This finding calls into question the degree to
which the Bolivian reform has served as a model for the development
community, whereas the more flexible, piecemeal Ecuadorian approach
has received relatively little attention or praise. A comparison of the two
national experiences demonstrates that a strong national commitment to
decentralization and the provision of a reliable revenue stream to local
governments may more effectively shift resources to poor communities,
but it does not necessarily improve the quality of local democracy.

My second argument underscores an inconvenient truth: Leadership
matters. It matters more than scholars would like to admit. Many dismiss
leadership as a residual category for unexplainable outcomes. Others
disregard leadership because it is a difficult concept to operationalize. As

Tendler argues, foregrounding leadership emphasizes the singularity of particular individuals. If leadership depends on luck, then it cannot be replicated in other settings and, thus, is not worth studying (Tendler 1997: 18). Because the objective of participatory and deliberative institutions is to maximize the role of ordinary citizens while reducing the importance of power hierarchies, some utopian political philosophers deem leaders to be irrelevant (Budge 2000: 206).

But empirical research demonstrates that leaders play an important role in determining substantive outcomes and decision-making procedures, particularly in local government (e.g., Andersson and Van Laerhoven 2007; Grindle 2007; Humphreys, Masters, and Sandbu 2006; Wampler 2004, 2008). Leadership is crucial in a context of weak and emerging democratic institutions and scant state authority because leaders can compensate for these institutional weaknesses by activating feelings of personal loyalty and trust. In the cases I studied indigenous political parties provided beneficial institutional reform in municipalities in which they were able to attract, elect, and maintain continuously in office mayors who could establish personal bonds of loyalty and trust with voters. These mayors also had to perform five crucial functions: (1) communicate effectively across ethnic lines; (2) provide sufficient political continuity for innovations to become institutionalized by staying in office for several terms; (3) attract financial resources from NGOs and international donors that augment tiny municipal budgets; (4) maintain the support and cohesion of key civil-society organizations; and (5) establish a degree of autonomy from them. My findings are significant because indigenous communities are considered "hard cases" for demonstrating the importance of individual agency, given the emphasis by anthropologists and philosophers on the communitarian–collectivist nature of indigenous culture. Indigenous politicians themselves tout the distinctive consensual–communitarian nature of indigenous decision making, as seen in the quotation in the preceding text.

Third, I demonstrate that institutionalized parties improve citizen participation – even at the local level. Political scientists have long understood the importance of political parties and civil society to the quality of democratic institutions.[4] But many scholars envision participatory and

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[4] With regard to Latin America, see, e.g., Alcántara and Freidenberg (2001); Coppedge (1998); Dahl (1971); Foweraker, Landman, and Harvey (2003); Hagopian and Mainwaring (2005); Levitsky (2001); Levitzky and Cameron (2001); Mainwaring (1999); Mainwaring and Scully (1995); O'Donnell (1997); Roberts and Wibbels (1999).

deliberative institutional designs to be a replacement for parties, while giving society a larger role in governance. They share citizens' low regard for parties and view civil society in idealistic terms (Baiocchi 2005: 149; Budge 2000). I argue that, in the context of relatively new and weak local institutions, political parties play a crucial role as partners to innovative mayors by providing the institutional source for the recruitment and production of leaders and serving as their most important base of support. Moreover, where the formal and informal rules of political competition are new and uncertain, political organizations act as a counterbalance to charismatic executive leadership, which in Latin America has a tendency to overrun legislative and judicial institutions and to obstruct the creation of strong parties or democratic institutions that might limit their prerogatives (Kitschelt 2000: 855). And parties have the potential, still unrealized in Bolivia and Ecuador, to act as transmission belts for the diffusion of local innovations horizontally – as occurred in Brazil with the dissemination by the Workers' Party (Partido Trabalhista, or PT) of the Porto Alegre model to other PT cities (Baiocchi 2005: 12; Goldfrank 2007b; Wampler 2007) – and vertically to higher levels of government.

Indigenous peoples' parties are well suited to promoting institutional innovation. They are "organic parties" – electoral vehicles that civil-society organizations formed to advance their interests from inside the political system (Panebianco 1988; Roberts 1998). The cultural institutions and social-movement organizations in which indigenous parties are rooted provide institutional cohesion during the reform process, embody normative content that inspires constituents to participate in time-consuming activities and patiently await substantive results, and infuse public institutions with meaningful cultural symbols that convey legitimacy and authority on government while fledgling institutions earn public trust. Their rootedness in social movements makes them ideal partners for innovating mayors because they are less vulnerable to professional incentives and bureaucratic rigidity and more receptive to institutional designs that place society at the center of public decision making. In the Andes in the last decade, promoting such changes has been critical to indigenous parties' strategy to transform themselves from idealistic electoral longshots to governing parties.

A focus on political organizations enables us to examine the "environmental complexity" (Panebianco 1988: 210) in which institutional innovations are demanded, designed, and deployed. I argue that radical democratic reform is more likely to occur in environments in which

relations of power are shifting and uncertain and new actors struggle to enter and reshape political institutions. Under conditions of complexity and uncertainty new system entrants are more likely to affect political outcomes and declining elites may be more likely to agree to new arrangements in order to retain a place in the political order. Like Panebianco, I focus on the "organizational order" and the relationship between political organizations and the context in which they compete for power and resources (1988). Organizational orders evolve over time; they result in and are affected by institutional innovations. The opening of local political space provided an unprecedented opportunity for indigenous social movements to enter formal politics and to pursue long-standing self-government goals.

NORMATIVE AND EMPIRICAL APPROACHES TO EVALUATING DEMOCRATIC QUALITY

My theoretical framework engages the rich debate in normative theory that proposes alternative – sometimes utopian – norms and processes that aim to significantly improve the quality of democratic life. These alternatives usually are grouped under the heading "radical democracy."[5] For its adherents, radical democracy evokes a "distinctive form of democracy" through which a free and dynamic civil society and formal representational institutions "are transformed by their connections with participatory–deliberative arrangements for solving problems" (Cohen and Fung 2004: 32). Although there is considerable variety among the proposals, most emphasize institutions that promote the following: public debate on public policy issues; opportunities for civil-society organizations and individual citizens to deliberate on public policy choices and participate in the monitoring of government activities; the creation of quasi-state institutions representing identity groups as a complement to territorially based representative institutions; measures to ensure that disadvantaged individuals and groups have the resources necessary to participate on a basis of greater equality with more advantaged groups; and the promotion of a more lively and free civil society (Saward 2000b: 219–20).

[5] Among the most influential, seminal works in this vast literature are Barber (1984); Cohen and Arato (1992); Cohen and Rogers (1995a); Dryzek (1990); Fung and Wright (2003a, 2003b); Habermas (1984); Mansbridge (1983); Mouffe and Laclau (1985); and Offe (1984).

I use the term radical democracy in the sense that contemporary political-ical philosophers do to connote the expansive scope of the democratic reforms proposed, rather than an association with Marxist revolution (Cohen and Rogers 1995a: 11, 239, 262; Fung and Wright 2003b: 22). This vision of radically democratic change focuses on values and culture and on deepening democracy by making it more participatory and deliberative (Cohen and Fung 2004: 23–4; Nylen 2003: 147). It is distinct from the socialist vision's emphasis on redistribution and class relations, although the two projects are philosophically and practically compatible, and both are concerned with promoting social justice. In fact, the radical democracy literature developed as much in opposition to class-based analyses as to liberal-democratic proposals for incremental reform and represents a deliberate departure from Marxist–Leninist thinking (Nylen 2003: 146). Although they accept the important role that representative–competitive politics plays in democratic life, radical democrats critique this style of politics for failing to promote important democratic values, such as responsibility, equality, and autonomy (Cohen and Fung 2004: 24–6). Whereas Marxists urge political actors to redistribute productive assets to create the equality necessary for democracy, radical democrats call for the institution of more participatory–deliberative mechanisms that give citizens a direct role in public decision making. These mechanisms better promote equality by giving more authority to poor and marginalized groups (ibid.).

Radical democrats challenge us to expect more from modern political institutions. For example, political theorist Mark E. Warren is "impressed with the possibility that even today democracy might be rethought and even radicalized within the vast array of participatory spaces that large-scale, complex, and differentiated societies now offer combined with the multiple means of making collective decisions that now exist" (2001: 13). Sociologist Gianpaolo Baiocchi classifies Porto Alegre's participatory budgeting experiment as a "radical democratic vision of popular municipal control" that PT administrators viewed as "part of a broader transformative project" (2003: 68). The greatest impact of the renowned Porto Alegre case, he argues, has been its inspiration of projects elsewhere that seek to "radically democratize democracy," rather than the promotion of socialist models (Baiocchi 2005: 154–5). In contrast to Marx, who argued that economic change must precede political change, radical democrats assume that it is possible for government and social institutions to effect major social and political changes, which may have redistributive effects.

Institutional innovators in my cases shared this assumption. Notwithstanding their economic marginalization – the average poverty rates for my five municipal cases in Bolivia and Ecuador were 88.84% and 87.58% in 2001, respectively, significantly higher than the national averages of 58.6% and 61.3% – indigenous parties seized political institutions and altered the values and processes of local governments (Censo Nacional de Población y Vivienda 2001; SIISE 2003). But only in a few cases and in limited ways has there been any change in the underlying economic relations because local contexts are embedded in larger, stickier, national and international systems. In most cases the paltry sums available for local investment have been reallocated toward more needy, once-ignored groups, but they are insufficient to alleviate poverty. Whether the reader finds such projects and their results to be "radical" is beside the point; the innovators and their supporters sought radical change. For example, the Pachakutik platform in the province of Bolívar explicitly identifies radical democracy as a guiding principle, defining it as follows:

Where the people effectively exercise social control and make decisions about their history, present and future, guaranteeing, thus, real participation of civil society in the decision, management, and conduct of the most important aspects of their own lives. (My translation; Arévalo and Chela Amangandí 2001: 21.)

The normative philosophical literature on radical democracy has limitations. It tends to be abstract and usually fails to offer concrete models applicable to real-world cases (Johnson 1998: 175–6; Fung and Wright 2003a; James 2004: 15). Rare, real-world examples usually are taken from advanced industrialized societies (e.g., Cohen and Rogers 1995a, 2003; James 2004: 3; Warren 2001[6]), and philosophers often ignore divided societies, writing them off as impossible cases (James 2004: 15). This is unfortunate because ethnically divided developing countries are more in need than institutionalized democracies of innovative solutions for democratic stagnation or reversal. Moreover, Western democracies might learn from developing-country examples, just as developing countries have learned from Western models (Armony and Schamis 2005: 126). If innovative institutional designs can succeed under adverse conditions should we perhaps raise our aspirations for political life in established democracies?

Whereas normative political theory has often failed to test abstract theories against existing conditions, comparative empirical approaches

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[6] Fung and Wright (2003b) and Avritzer (2002) are notable exceptions.