Democratic governance – fairytale or real perspective? Lessons from Central America

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SUMMARY: *This paper examines the concept of democratic local governance and its relevance for health development in Central America, a region which was torn apart by conflict in the 1980s. Peace-building has been taking place since the 1990s in a difficult macro-level context, as stabilization and structural adjustment policies in the postwar period have led to drastic state reforms with high social costs for the marginalized population. Innovative experiences and strategies in health have also developed in the region over the last decades, based upon local participatory governance, contributions to public health policy, development and peacebuilding at the local level. This article describes two of these municipal health development processes, the SILOS (Local Health Systems) in the northern zone of San Salvador, El Salvador and the municipal health process in León, Nicaragua. The paper examines the relevance and sustainability of these local initiatives and the importance of democratic local governance for (health) development. It also analyzes the extent to which macro-level reform policies have enabled the development of these processes and the perspective for sustainability of democratic local governance in countries confronted by serious lack of governability. Whilst the imperative for reform/change is beyond doubt, as well as the advances booked in terms of local democratic governance and health, the authors underline the need to address the incoherence in global reform policies and – in the current situation – the impossibility of achieving democratic governance and equity in health within the confines of the city. Finally, the authors question the relevance of a development paradigm that does not address democratic local governance and existing structural (political, social, economic) inequalities.*

I. INTRODUCTION

PRINCIPLE I OF the Rio Declaration on Environment and Development states that: "*Human beings are at the centre of concerns for sustainable development. They are entitled to a healthy and productive life in harmony with nature.*"[1] A broad range of factors, including public policies at the macro and micro levels, determine health and well-being.

Inequalities in income, wealth and health within and among countries have persisted and continue to deepen on a global level. The degree of inequality is influenced by international, national and local policies. Some authors have attributed the rising inequality and social fragmentation which is occurring in most countries to neoliberalism, due to its undermining of the (welfare) state.[2] It is clear that the goals of sustainable

development cannot be achieved when socioeconomic inequality, political exclusion and unequal gender relations contribute to social and political violence in any society.

The increasing social and economic polarization finds particular expression in cities of the South, where it is contributing to violence and social conflict at the local level. (However, these problems may influence a much wider health context, as "our" global world also appears to facilitate the globalization of conflict and violence.) On the other hand, political institutions appear increasingly unable to handle the demands generated by urban societies. Given the complexity and diversity of most urban health issues, and the fact that they are influenced by a large range of non-local and non-governmental forces, local government clearly lacks not only the capacity and resources but also the formal authority and autonomy to influence many of the factors that affect urban health and well-being.[3]

Since the late 1960s, a new policy paradigm has developed that seeks to increase the scope of democratic decision making, while at a global level such concepts as governance and civil society are gaining in importance.[4] Also, the importance of the local level, considered in practice to provide the best conditions for developing an agenda for improving the health and well-being of a city and its inhabitants, has repeatedly been emphasized. In 1986, the World Health Organization formally launched the Healthy Cities project which – with its concern about inequalities and the emphasis on process, public policy and community empowerment – represented a decisive shift in the approach to health in urban environments. Participation and good governance have been considered central to "healthy cities".[5]

This article first examines the concept of democratic local governance. It goes on to describe two innovative experiences in health in Central America: the SILOS (Sistema Local de Salud, (Local Health System)) in the northern zone of San Salvador, El Salvador; and the municipal health process in León, Nicaragua. As is well known, Central America was torn apart by conflict in the 1980s. Peace-building has been taking place since the 1990s in a difficult macro-level context. What is the relevance of these local-level initiatives? To what extent do these initiatives, based on participatory local governance, contribute to health development and what is the importance of democratic local governance for health development? To what extent are these initiatives sustainable?

The article subsequently examines the extent to which macro-level reform policies have enabled the development of these initiatives. To what extent do these changes allow a policy environment for democratic governance and participation in decision-making at the local level? To what extent are the official reform policies contributing to peace-building and sustainable health development? What is the prospect for sustainability of democratic local governance in countries confronted by a serious lack of governability? To what extent can the local level address health issues and change the determinants of health?

Finally, the article poses the question of whether these macro changes facilitate these processes sufficiently: to what extent are they inducing a crisis of governability in these countries where conflict may have formally ended but where social problems continue to threaten long-term peace and health development? The authors consider whether the lessons learned in Nicaragua and El Salvador may be relevant to other countries, given the reality of the world today – notably countries in the South where there are a variety of violent situations, both latent and active.

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1. Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June, 1992 (United Nations sales publication No E.93.I.8), Resolution 1, Annex I.

2. Coburn, D (2000), "Income inequality, social cohesion and health status of populations: the role of neoliberalism", *Social Science and Medicine* Vol 51, pages 135-146; also Navarro, V (1998), "Neoliberalism, 'globalization', unemployment, inequalities and the welfare state", *International Journal of Health Services: Planning, Administration, Evaluation* Vol 28, No 4, pages 607-682.

3. Wolman, H and M Goldsmith (1992), *Urban Politics and Policy: A Comparative Approach*, Blackwell, Oxford.

4. Held, D and C Politt (editors) (1986), *New Forms of Democracy*, Sage, London; PNUD (1997), *Gobernabilidad y desarrollo democrático en América*

Latina y El Caribe, UNDP, New York.

5. Perez Montiel, R and F Barten (1999), "Urban governance and health development in Leon, Nicaragua", *Environment & Urbanization* Vol 11, No 1, pages 11-26.

6. Pearce, J (1997), "Sustainable peace-building in the South", *Development and Practice* Vol 7, No 4, pages 438- 455.

7. Lungo, M and S Bairnes (1996), *De terremotos, derrumbes e inundaciones,* FUNDE, San Salvador, El Salvador.

8. PNUD (2000), *Nicaragua. Informe sobre desarrollo humano*, Managua, Nicaragua; also PNUD (2001), *El Salvador. Informe sobre desarrollo humano*, San Salvador, El Salvador.

9. Secretaría de Planificación, Universidad de El Salvador (2000), *Diagnóstico y propuesta inicial para la formulación de un plan de desarrollo integral*, San Salvador, El Salvador; also Vargas, O (2001), *Once años depuès del ajuste. Resultados y perspectivas*, Centro de estudios de la realidad nacional (CEREN), Nicaragua.

10. Servin, A and D Ferreira (2000), *Gobernabilidad democratica y seguridad ciudadana en Centroamérica: el caso de Nicaragua*, CRIES, Nicaragua.

11. Lungo, Mario (editor) (1998), *Gobernabilidad urbana en Centroamerica*, FLACSO-GURI, San Jose.

II. THE CONTEXT – CENTRAL AMERICA

CENTRAL AMERICA IS a peripheral, mostly agricultural region of the global economy. Its colonial history, highly exclusive societies, deep levels of poverty and external vulnerability are similar to those of many countries in the southern hemisphere, which however, represent the majority of the world's population. Account should be taken of the fact that the wars in Nicaragua and El Salvador had a profound impact on their societies. Reform policies have been implemented since the 1990s, in fragile transitional phases from internal conflict to peace.[6] As the reforms implemented so far have failed to address the high levels of rural and urban poverty, they have not contributed to a sustainable development model which could raise the population from a situation of mere subsistence. It was not only the conflict of the 1980s but also the conditions of poverty and the precarious economic situation of the 1990s that generated a permanent, increasing migration from rural areas to the cities – and from both to the high-income countries in the North, in search of opportunities not to be found in El Salvador and Nicaragua themselves. Approximately one-third of the population of El Salvador (2 million inhabitants) has emigrated to the United States. They sustain the economy with remittances, the total amount of which is estimated to be greater than the revenues generated by both coffee production and maquila industry, the most important export sectors. The proliferation of luxurious and modern commercial centres created to capture the remittances contrasts sharply with the miserable and impoverished conditions of the rapidly increasing informal (squatter) settlements in the immediate surroundings.[7] Inequalities in income have increased in both countries.[8] The social costs of the reform processes have been particularly high for the poor population.[9] Conflict has become social rather than political, with high levels of violence, particularly in the poorest regions and the capital cities.[10]

Over the last decades, innovative experiences in health have been developing at the local level, promoted by social organizations, communities and local governments. These initiatives are contributing to governance, participation and health development – and therefore to peace-building from below. There is a need to understand these initiatives and to learn what is and what is not effective and sustainable. However, there is also a need to understand the external factors operating at the broader level. So far, these experiences have not been taken into account by the official reform process. On the contrary, a certain tension with the official reform policies has become apparent.

III. THE CONCEPT – DEMOCRATIC GOVERNANCE

GOVERNANCE EXPRESSES THE relationship that exists between the state and civil society with respect to problems and policies of national interest.[11] As mentioned above, over the last years this concept has become central to the new development paradigm. Governance could be considered the result of the participatory approach to development, which was promoted during the last decade and, at a certain point, stressed the need to involve the state to ensure the success and sustainability of these projects. However, this is only one of the many existing explanations for the origins of the concept.

Some authors relate the resurgence of the concept to the reproduction

of social order – in other words, the problem of the reconciliation between the mode of accumulation and a given political system; between the needs of accumulation and the social benefits and rights.[12] According to Saldomando, democratic governance is the way in which compatibility between the state and the capitalist accumulation regime has been achieved in order to reproduce the social order, to channel the plurality of interests, the reactions against change and conflict management.[13] Other theories link the development of governance to the accelerated political dynamism, increasing complexity and social diversity.[14] The traditional centralist and bureaucratic forms of government would no longer be able to govern within the modern political arena with its diversity of actors (local and external), their increasing role and their capacity to establish alliances and influence the public agenda. The rapid flow of information facilitated by modern management technology would play a central role in these changes.

Democratic governance is in fact an umbrella concept. A wide range of theories and conceptual frameworks exists in the area of urban policy, where the content of governance varies enormously between one theory and the other. From "...*a governance with possibilities of participation and influence for all social actors although in unequal conditions*" according to the pluralist theory, to "...*governance as instrumentalization of society in function of dominant interest represented in the state*" according to some Marxist theories.[15]

As development paradigm, the concept of governance has been related to the local level, decentralization processes and democracy. Democratic local governance, good governance and democratic decentralization somehow contain these elements. Therefore, this article will focus on how to understand governance at the local level and on its democratic content. The Commission on Global Governance (1995) defined local governance as:

"*The sum of the many ways in which individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may be taken. It includes formal institutions and regimes empowered to enforce compliance. As well as informal arrangements that people and institutions either have agreed to or perceived to be in their interest.*"[16]

This same idea of interaction between social sectors and the state, although with a different emphasis, is also to be found behind the concept of good governance put forward by different multilateral organizations such as the World Bank, the United Nations Development Programme (UNDP) or Habitat. Today, good governance constitutes a pillar of these organizations' policies. For the period 2000-2001, Habitat has even started a campaign on urban governance to stimulate norms for good urban governance and to promote inclusive decision-making processes.[17] In the 1990s, the US government's Agency for International Development provided support to 60 "democratic local governance" activities all over the world, while UNDP supported 250 decentralization activities.[18]

Good governance, according to the UNDP and the World Bank, is to be understood as "...*participation, transparency and accountability, and an emphasis on process.*"[19] It also encompasses elements such as equity and effectiveness and the rule of law.[20] Habitat further defines good governance according to the following three principles: "...*decentralizing responsibilities and resources to local authorities; encouraging the participation of civil society; and using partnerships to achieve common objectives.*"[21]

12. Saldomando, A (1998), "Construccion del orden y gobernabilidad" in Cuadra Lira, E, A Perez Baltodano and A Saldomando, *Orden social y gobernabilidad en Nicaragua 1990-1996,* CRIES Managua, pages 33-69.

13. See reference 12.

14. Kooimans, J (editor) (1993), *Modern Governance, New Government-Society Interactions*, Sage Publications, London.

15. Judge, D, G Stoker and H Wolman (editors) (1995), *Theories of Urban Politics,* Sage Publications, London.

16. Commission on Global Governance (1995), *Our Global Neighbourhood. The Report of the Commission on Global Governance*, Oxford University Press, Oxford.

17. Habitat (2000), "The global campaign for good urban governance", *Environment & Urbanization* Vol 12, No 1, pages 197-202.

18. Blair, H (2000), "Participation and accountability at the periphery: democratic local governance in six countries", *World Development* Vol 28, No 1, pages 21-39.

19. See reference 17.

20. UNDP (1997), "Good governance and sustainable human development", www.magnet.undp.org/policy/chapter1.htm

21. See reference 17.

According to UNDP, governance has three bases:

"Economic, participatory and administrative. Economic governance includes decision-making processes that affect a country's economic activities and its relationships with other economies. It clearly has major implications for equity, poverty and quality of life. Political governance is the process of decision-making to formulate policy. Administrative governance is the system of policy implementation. Encompassing all three, good governance defines the processes and structures that guide political and socioeconomic relationships."[22]

Whilst the International Monetary Fund stresses:

"Those aspects of good governance related to the surveillance over macroeconomic policy – namely the transparency of government accounts, the effectiveness of public resource management, and the stability and transparency of the economic and regulatory environment for private activity."[23]

Blair states that the major promise of democratic decentralization (as he refers to democratic local governance) is:

"...building popular participation and accountability into local governance, which will make government at the local level more responsive to citizen desires and more effective in service delivery."[24] . . . *"Much of democratic local governance's attraction as a development strategy lies in its promise to include people from all walks of life in community decision-making. The hope is that as government comes closer to the people, more people will participate in politics. All sorts of constituencies – women, minorities, small businessmen, artisans, parents of schoolchildren, marginal farmers, urban poor – will then get elected to office (or have greater access to those in office). That will give them representation, a key element in empowerment, which can be defined here as a significant voice in public policy decisions that affect their futures. Local policy decisions reflecting this empowerment will serve these newer constituencies, providing more appropriate infrastructure, better living conditions and enhanced economic growth. These improvements will then reduce poverty and enhance equity among all groups."*[25]

However, Blair also concludes his study by stating that this logic does not always reproduce itself in practice, as all kinds of cultural, economic, political and social barriers reduce or change the dynamics of democratic governability.

The development of democratic local governance in Latin America would be the result of profound social changes. The implications could be unexpectedly relevant. The introduction of the term "local governance" implies, on the one hand, the recognition of the importance of the local level in addressing problems and social needs, democratization and development. It also implies recognition for the new roles to be played by local governments as a product of decentralization processes and the strengthening of civil society which, during the last decades, has adopted many of the traditional roles of the state. The concept allows a *"...better understanding of urban politics within this emergent arena and a reconsideration of the relationship between local government, local commercial interests and local communities as traditionally construed."*[26]

The changes in the role of the local level, along with the processes of decentralization and the increasing participation of civil society, however, have been accompanied by a dramatic history. In Latin America, these changes can be understood as the result of three interrelated processes. First, the reduction of the state apparatus due to policies of structural adjustment, which has reduced its capacity to address needs and social demands and has forced civil society to organize in order to confront these needs and demands. Second, the decentralization towards local

22. See reference 20, page 2.

23. IMF (1997), "The role of the IMF in governance issues: guidance note" (approved by the IMF Executive Board, July 25, 1997), www.imf.org/external/pubs/ft/exrp/govern/govindex.htm

24. See reference 18.

25. See reference 18.

26. McCarney, P L (1996), *Cities and Governance: New Directions in Latin America, Asia and Africa*, Centre for Urban and Community Studies, University of Toronto, Canada.

governments, which this restructuring of the state is producing. Parallel to this, the pressure from globalization, which induces the state to prioritize the required inversions and infrastructure to attract foreign investments, neglects the development of social infrastructure. Finally, there are not only the deficiencies of the state but also "...*the remarkable resilience of the non-state agencies to challenge the monopoly of the state institutions in shaping the character of cities today*."[27]

Not only does the variety of initiatives promoted by civil society attempt to fill the void left by the state but also shows great capacity and agility in addressing social problems, needs and demands. Within this framework, democratic local governance could be interpreted equally as a revolutionary factor or as a required complement of neoliberal policies.

On the other hand, the concept could generate expectations in relation to the local level as a solution to development problems, the building of democracy and the safeguarding of governability. This illusion could lead us to underestimate the impact of macroeconomic factors on the feasibility of development, as well as the determining role of social order in the governability of a country.

According to some authors, the lack of "good governance" would mainly serve as the cause of (and justification for) the failure of the structural adjustment policies, by shifting responsibility for everything that does not function well in the South to the local level.[28] Also, Susan George warns of the pretended delimitation of local governance as a managerial instrument of public administration, as this would depoliticize a process that is essentially political. According to same author, this would open the doors to interference by the World Bank in internal policy affairs.[29]

Although the term "governability" introduced above adds another dimension to the concept, it also makes it more complex to understand. The confusion may be even greater in the Spanish language since the same term (governability) is used to translate both governance and governability. The concept of (lack of) governability, however, adds a different category to governance. According to Kooimans, governability is a dynamic process of balancing between "...*governing needs on the one hand (problem situations or the grasp of opportunities) and governing capacities (creating patterns of solutions or developing strategies) on the other hand*."[30]

Kooimans sees governability as "...*an expression of governance in terms of effective and legitimate adjustment of governing needs to capacities and capacities to needs*."[31]

In conclusion, democratic governance is far from being "self-explanatory". It is incontestable that democracy and governance do not necessarily go together hand-in-hand and that democracy has often been sacrificed in order to ensure governance.

IV. THE CASES – INNOVATIVE EXPERIENCES IN HEALTH

THE FOLLOWING CASES are two of twenty innovative experiences in health which have been studied in depth within much wider research on health systems development conducted during 1997-2000 in Central America (see Box 1). The results of this study are to be published in a separate article.[32]

27. See reference 26.

28. See for instance George, Susan and Fabrizio Sabelli (1994), *Faith and Credit. The World Bank's Secular Empire*, Penguin Books, London, page 160.

29. See quote from Susan George in Tetzlaf, R (1995), "Good governance; a useful concept for development", *Development and Cooperation* Vol 5, pages 20-22.

30. See reference 14.

31. See reference 14.

32. The Salvadoran research team studied 5 local health experiences (including the SILOS/Zona Norte), the Nicaraguan research team, 12 (including León) and the Guatemalan research team 3.

Box 1:	Development of "Sistemas Locales de Salud" (SILOS, Local Health Systems)

Conceived in 1986 by the Pan-American Health Organization (PAHO) as a means of improving primary health care strategy to achieve the goal of health for all by the year 2000, the Local Health Systems (SILOS) promote the integration of health policies with development policies and of health care services with other social areas, by assuming responsibility for health development within a given territory.[a] Also, in several Latin American countries, the trend toward deconcentration and decentralization of the state's administrative functions has been accompanied by attempts to strengthen regional, state, departmental and municipal systems, "*to increase the State apparatus to respond to the demands of the population*".[b] In 1992, 10 Local Health Systems started as pilot projects in El Salvador. This included the SILOS in the Northern Zone of San Salvador, which achieved the highest level of organization by putting in practice the following theoretical concepts:[c]

Participation. The participatory process implied establishing the mechanisms and strengthening the capacities for participation of various local community-based organisations and committees at the local, municipal and regional levels (*Comités de Salud, Directivas Comunales, Comités Municipales de Desarrollo, Comités Intersectoriales Locales, Comités de Finanzas, Comités e Monitoreo y Supervisión, Comité de Expertos Técnicos y Comité Conductor*). Training was carried out to increase participation in decision-making processes; priority needs were defined and excluded population groups identified by each municipality and local community through a participatory assessment of needs.

Inter-sectoral action. Cross-sectoral task forces were created to facilitate the implementation of joint activities for the purpose of modifying health determinants (physical and social environment, education, infrastructure). The ministries of health and education, public agencies in the areas of water and sanitation, electricity, telecommunications and port services (CEL, ANTEL, CEPA, ANDA) initiated coordination and concerted action with local governments, the church, local NGOs and social movements in local development plans. Gradually the whole area became involved in an experience that achieved an unprecedented mobilization of all kind of resources (organizational, financial, technical, communitarian, governmental, local, national and international) in a process to improve health.

Equity-oriented. A starting-point was the recognition of existing inequalities in wealth, income and health. The SILOS therefore oriented their programmes towards priority groups. Available (though limited) budget initiatives were developed at the municipal level to address malnutrition, violence and specific problems of orphans, pregnant women and the elderly.

a. Paginini, José Maria and Roberto Capote Mir (1990), *Los Sistemas Locales de Salud. Conceptos, Métodos y Experiencias*, OPS/WHO, Washington DC.
b. WHO/OPS (1993), "Implementation of the Global Strategy for Health for All by the Year 2000. Second Evaluation." *Eighth Report on the World Health Situation*. Vol 3, Region of the Americas, PAHO Washington DC, page 19.
c. Consejo Directivo del SILOS Zona Norte (1993), *Plan anual de trabajo 1993*, San Salvador.

a. The SILOS Zona Norte, San Salvador

The SILOS Zona Norte represents an experience of social and local construction of health which developed during the immediate postwar period of 1992 to 1997 in six municipalities of the northern zone of San Salvador – Guazapa, Nejapa, Apopa, Aguilares, Tonacatepeque and El Paisnal. The initiative to develop a comprehensive health project involving local governments, community-based and non-governmental organizations was taken in 1992, in the context of the peace agreements in El Salvador, by the Ministry of Health and the Pan-American Health Organization (PAHO). The main purpose in creating the SILOS Zona Norte in 1993 was the decentralization of management and the need to strengthen the capacity of health service systems to respond to the increasing demands of rapid population growth.[33]

Accordingly, the SILOS Zona Norte became one of ten pilot projects to

33. Consejo Directivo del SILOS Zona Norte (1993), *Plan anual de trabajo 1993*, San Salvador.

be developed at national level with the support of PAHO, in an effort to promote a countrywide implementation of the cross-sectoral health strategy. The main donor (90 per cent) for the PAHO initiative in the Zona Norte was the Dutch Development Cooperation (DGIS).

The northern zone of the capital city covers 468 square kilometres and, at the time when SILOS was developed, a population of approximately 300,000.[34] It was one of the main conflict areas during the war. Although the impact of war was devastating, social changes did take place in terms of capacity-building among the population. In the Zona Norte, strong community-based organizations developed in the 1980s during the armed conflict. As a result of the state abandoning services (health and education), local communities took steps to provide for their immediate basic needs. Since the peace agreements, large groups of new migrants arrived in the Zona Norte, most of them returning from refugee camps in neighbouring countries or from other conflict areas. These new inhabitants had also developed a strong organizational culture which strengthened the already existing local organizations. In 1992, the SILOS Zona Norte started building upon the already existing experience in popular organization and participation to develop the programme and to implement concrete action. It also strengthened and extended the organizational capacity, reinforcing the social dynamics in those communities where organization was weak or non-existent.[35]

The positive atmosphere of the peace agreements formally opened a political space to deal with the underlying causes of the conflict in a non-violent way. Or, at least, it represented an agreement between both parties in the conflict not to address their differences through violence. The participatory focus of the project, the inter-sectoral approach and the enormous needs and expectations of the marginalized communities favoured the development of SILOS. It reoriented the health system project towards an integrated municipal health development process. Local, municipal and regional coordinating committees were established which provided the leeway to debate problems and conflicts, to search for solutions and to develop concerted action between the local governments, community-based organizations, the Ministry of Health and non-governmental organizations. Furthermore, other public institutions such as the Ministry of Education, autonomous enterprises for water, electricity/light and communications, the Salvadorian Red Cross and professional organizations also joined the initiative. This afforded SILOS an opportunity to influence health status and its determinants and to reduce social and political exclusion.

Issues such as the prevention of cholera and malaria were addressed but also demands for housing, electricity, employment, etc. During 1993-1997, recreational programmes for youth and the elderly were developed, improved access and building/repairing roads was undertaken, and productive projects were developed to reduce unemployment and to ensure reforestation and environmental protection. Educational programmes and other activities focusing upon vulnerable groups were continuously prioritized. The effectiveness and impact of the actions were illustrated by a reduction in violence and illiteracy rates, improved sanitation (latrines, potable water) and by the reduced impact of the cholera epidemic.[36] In 1996, negotiations took place between the Ministry of Health (MSPAS) and the DGIS, concerning the objectives of the second phase of SILOS. The Ministry of Health proposed using the remaining project funds to build a district hospital in Apopa, which could act as a

34. Facultad de Medicina, Universidad de El Salvador (1996), *Diagnóstico comunitario de la Zona Norte de San Salvador*, San Salvador.

35. Espinoza, E A, M A Elías and V Villalta (2000), "El SILOS de la Zona Norte de San Salvador 1992-1997: una experiencia innovadora en salud", MSc thesis, Facultad de Medicina, Universidad de El Salvador, Junio, EU/INCO-DC research report Rescate.

36. See reference 35.

37. MSPAS, OPS/OMS, Gobierno de los Países Bajos (1997), *Proyecto para la consolidación del SILOS Zona Norte de San Salvador*, El Salvador; also MSPAS, OPS/OMS, Gobierno de los Países Bajos (1997), *Plan operativo anual del SILOS Zona Norte de San Salvador*, El Salvador.

reference hospital for the northern zone. Against all expectations, however, the local communities formulated another proposal requesting the donor to continue supporting the participatory initiatives, organizational and educational programmes, preventive action and health promotion within the framework of the primary health care strategy being implemented in the Zona Norte.[37]

One of the most important elements of the SILOS, facilitated by the social and organizational network, was this participatory process, which kept developing on a day-to-day basis and opened new possibilities for joint policy-making. According to the principles of Alma Ata, the chief aim of the process was to achieve community self-reliance in the planning and implementation of health actions, to increase control of health determinants. As the participatory needs assessment facilitated the identification of common priorities and local planning, it also contributed to increased inter-sectoral coordination, which established the basis for joint action and mutual supervision (transparency). It was a deliberate educational process aimed at strengthening the participation of all stakeholders; in particular, this was accompanied by popular organization and participation. Gradually, community participation in decision-making increased in quantity and quality to a level that forced the coordinating committees to search for and revise appropriate responses. This included the design of new programmes relevant to new emerging problems. Different stakeholders in the execution of the funds (accountability) shared responsibilities. However, this level of community empowerment sharply contrasted with the focus on participation adopted by the central level of the Ministry of Health in the rest of the country, where community-based organizations were not considered able to participate in crucial aspects such as the design of public policies, the control of funding, the establishment of priorities and the evaluation of progress.

Without doubt, the process of social construction of health (popular organization and education), encouraged and developed by SILOS, enabled local governments to grow closer to the communities. Also, it created the conditions for local communities to put forward their needs and demands and to work with the authorities in a search for solutions and the implementation of action. Both parties became aware of their own and mutual limitations. This contributed to an enabling environment for debate and concerted action. In a country such as El Salvador, with high social polarization, emerging from a prolonged armed conflict and where, until recently, community organization in the rural areas had been prohibited by law, this was without doubt a unique process. Not only did it involve local actors but also central government.

However, the developed model also produced serious contradictions due to the effects upon strong party interests, the confrontation with the traditional biomedical model and current reform policies (reduced social investment and the focus of health sector reform limited to the provision of health services). Government officials perceived the reinforced organization and community participation as not being in harmony with the dominant political priorities of the still heavily polarized Salvadorian society and as a potential threat to political control of the area.[38] The conflict started immediately after the local government elections in 1996, when the government party lost in five of the six municipalities. It attributed its defeat to the reinforced social organization developed by SILOS.[39] Finally, the central government suspended all official support by the Ministry of Health, which generated profound conflict that went beyond

38. See reference 35.

39. This was the explanation for the electoral defeat in 1996 provided by the Minister of Health, who was in charge of organizing the electoral campaign for the government party in the department of San Salvador.

the country and involved PAHO and the main international donor. The Ministry of Education and other public institutions also withdrew their support from the coordinating committees. Local communities' protests were ignored and no community representatives were invited to participate in the special commission (Ministry of Health, PAHO, DGIS) which was established to resolve the conflict.

Although the local communities were able to continue the development for some time, the Ministry of Health withdrawal and obstruction reinforced managerial weaknesses and organizational deficiencies, contributing to the slow demise of the health development initiative.[40] In 1998, within the framework of a renewed agreement between the Ministry of Health and PAHO, an alternative health care project was set up in line with official World Bank reforms. Having lost its original participatory identity and integrated approach to health and to the determinants of health, the project has started to reform the public health services in the Zona Norte. This is in line with the project first implemented three years before in the rest of the country.[41]

The experience of SILOS Zona Norte provided evidence that, at least at the local level, both processes – the process of democratic governance and the process of the social construction of health – complement and strengthen each other. Social capital and networks developed. Links were encouraged. Mechanisms of social control were established, stimulating transparency and limiting opportunities for corruption. Scarce resources were optimized. Operational research was conducted to support decision making, concerted action was implemented and – equally important – negotiation and understanding increased between those who govern and those who are governed. The wider community organization formed the fundamental base of democratic governance and the construction of health. It facilitated other processes of social participation, the intersectoral approach, the search for equity, transparency and accountability. In summary, SILOS promoted – and, at the same time, benefited by providing leeway for the simultaneous growth of – a process of democratic governance and development of social capital.

There are several reasons for the failure of SILOS Zona Norte. One important inherent weakness was the fact that, with the exception of a limited budget assigned for the provision of health services, SILOS Zona Norte did not receive a public subsidy for its activities. With their limited tax input and with no decentralized budget – and with the majority of inhabitants living in poverty or extreme poverty – the local authorities could not compensate for this precarious budget, and this created an extreme dependency on funds provided by the Dutch development cooperation. No legal framework existed that could have supported and strengthened the participatory processes, the decentralization and the intersectoral action. Although the community-based organization intended to initiate a process of legalization of SILOS, these attempts were always obstructed by official entities which had legal control. From 1995 onwards, within the framework of the "modernization of the state" and in line with the structural adjustment programmes, an aggressive policy was implemented to reduce the size of the state, to contain social costs and to provide macroeconomic stability.[42]

The proposal for the legalization of SILOS and all the innovative processes that were not being implemented in other localities was viewed with alarm and preoccupation by central government officials/bureaucrats. In addition, the increasing demand by communities for increased

40. MSPAS, OPS/OMS, Gobierno de los Países Bajos (1998), *Actividades cumplidas a partir de los acuerdos alcanzados en la reunión de revisión de la evaluación externa*, El Salvador.

41. MSPAS (1996), *La salud de El Salvador: una visión de futuro*, San Salvador.

42. Rubio, R, V Aguilar and J Arriola (1996), *Crecimiento estéril o desarrollo?* FUNDE, San Salvador.

budgets to strengthen health development actions was not considered positive, as this could impact the total budget in other Local Health Systems and among the general population. It was a process over which the Ministry of Health did not have total control despite a strong centralizing structure, where the terms of decentralization and social participation remained only as rhetoric. Paradoxically, the local officials from the Ministry of Health participated with enthusiasm in the activities of SILOS, which underlines the quality of developing social capital and networks. It was the central Ministry of Health that experienced an increasing fear of having to share political and technical power permanently as a consequence of developing a basic unit of decentralization of the health system and organizational structure centred in community participation.

b. León's healthy municipality initiative

For the last 20 years, Léon has been a Sandinista municipality, the cradle of major events in the recent political history of Nicaragua. It is a colonial university town with approximately 200,000 inhabitants, and the second most important municipality in Nicaragua. Poverty levels, however, are higher than in any other municipality in the Pacific region of the country. Rapid migration of poor peasants and landless agricultural workers, searching for other alternatives for income and survival, has contributed to an increase in the number of informal settlements on the periphery of the city, where basic prerequisites for health such as safe water, sanitation, and liquid and solid waste disposal are often lacking.[43] The city has displayed a singular degree of municipal cohesion, reflected in the fact that all parties have agreed to work together in the interests of local development. No doubt this is related to the level of deprivation and the lack of real possibilities for sustained development, especially after the cessation of cotton cultivation. It created renewed possibilities for strategic alliances, coordinated policies, strategies and campaigns. In the last ten years, a participatory approach to health development and development in general has been institutionalized throughout the municipality. This approach involves all the stakeholders and makes use of and develops the capacity of existing institutions and organizations.

Without doubt, the local government has been the most important actor in articulating the efforts of social movements and local institutions. However, the history of citizen participation in León goes back to the 1960s and 1970s, when students and workers demanded the rights denied them by the Somoza dictatorship. It was against this background of struggle that the Movimiento Comunal (Communal Movement), the most important community-based organization in Nicaragua, was born. The Movimiento Comunal is not only well represented in various areas within local government, including the municipal council, but it has also developed a large network of *brigadistas de salud* (voluntary health workers).

It is important to recall that with the Sandinista revolution in 1979, a comprehensive primary health care strategy was implemented in both rural and urban areas and, in León, an integrated health development programme was started, involving the local community-based organizations and the university. As in other parts of Nicaragua, the *consejos populares de salud* (popular health councils) provided leeway for popular participation in organization and planning of health care. A movement of health volunteers, the *brigadistas de salud*, developed and participated actively in the planning and implementation of national and regional

43. At present, 80 per cent of the municipal population lives in the urban area. According to ERCERP (2001), 41.8 per cent of the population is poor and 13 per cent lives in peri-urban slums in conditions of extreme poverty.

jornadas populares de salud (popular health campaigns), changing the epidemiological indicators of the country[44] as well as the approach to health and environmental issues. Parallel development of community-based educational programmes in the health-related faculties of the university underlined the combination of professional learning and work with communities. It encouraged the active involvement of students in popular health education and preventive care.

In 1990, the Sandinista Liberation Front (FSLN, *Frente Sandinista de Liberación Nacional*) was defeated by the Union Nacional Opositora (UNO) – a broad, albeit ad-hoc, coalition of opposition parties – in elections rigorously supervised by international observers. The transition of a revolutionary political regime and a mixed economy towards a competitive political model and a market economy in April 1990 implied increased implementation of stabilization and structural adjustment programmes. It also entailed privatization of institutions to overcome the economic crisis. However, the most immediate effect was the dismantling of the institutions and programmes that had been stimulated/implemented by the revolution. The transference of public programmes to civil society also led to the creation of an enormous diversity of new institutions (mainly NGOs), providing new opportunities for the organization of civil society in Nicaragua.[45]

With the profound political and social changes in 1990, and the subsequent implementation of reform policies, the local authority in León took the initiative to establish (with the local public health system) the Movimiento Comunal. The university set up the so-called Municipio Docente-Asistencial (MDA) as a mechanism to protect and rescue the local health development model which had been created during the revolution. As the unified national health system was dismantled, a policy of cost-recovery was implemented. Reform policies strengthened the biomedical model of health care. However, the role and responsibility of integrated local health initiatives such as that of León were also reduced. The reform policies therefore increased the need to look for external support through other channels, such as the university and the movement of twinned cities, to ensure support for and the sustainability of the local model of development (including health development).

The local initiative gradually evolved into an institutional strategy which supported joint policy development between the initial partners of the MDA. Although each actor participating in the initiative is, in effect, autonomous, considerable effort has been devoted to the establishment of a "municipal development committee" consisting of different task forces for the environment, education, health, infrastructure, etc. Instead of taking the place of the stakeholders, they are designed to promote integrated urban development and create a mentality in which it is not possible to talk about development without thinking of productive investments, permanent education, decent housing for all, health care beyond the provision of curative health services, and institutions that are above party influence. Over the past 11 years, the initiative has continued to promote an integrated approach to health, the environment and poverty through different committees and the participatory construction of a strategic local development plan.[46] The model has been institutionalized and is sustained by the local actors, the municipal government, the community, the university and the local health services system.

Within the framework of the León healthy municipality initiative, the local development commission has launched policies and strategies to

44. Poliomyelitis was eradicated in 1982. The number of cases and morbidity rates for five common childhood diseases were reduced as coverage by vaccination was extended as never before in history.

45. Morales, Gamboa A (2001), *Análisis de la sociedad civil y su contexto en Nicaragua. Estudio sobre las agencias holandesas y sus políticas de fortalecimiento de la sociedad civil en Nicaragua (1990-99)*, Costa Rica.

46. See reference 5.

ensure the basic prerequisites for health in the city. Ordinances have been introduced to reduce the illiteracy rate, provide safe and adequate water supplies, build and improve housing, control wastewater and ensure the adequate disposal of refuse. The coordination of policies and strategies has contributed to the development of a joint programme that draws together existing local initiatives, including the UNI project at UNAN university and the León development plan. Initially, the emphasis was on programmes to build and improve houses, recreational centres and schools; to repair roads and ensure access to rural areas; and to increase access to drinking water. Coordinated action was also undertaken to move the polluting leather industry from the river shores to the city's industrial zone. The local capacity to respond was also tested during the tragedy that was Hurricane Mitch, which struck Nicaragua in November 1998. In the first few days, brigades of hundreds of volunteers were mobilized and sent to the most affected areas, while the limited resources at the local level were made available to the local authorities.

In Nicaragua, the Municipalities Act (1995) delegates to the municipal level specific responsibilities. However, this set of shared and complementary responsibilities has never been clearly specified. Recent central government reforms aimed at reducing expenditures in the social sector, along with complaints from the public about fragmented local service delivery, have forced the municipalities to assume the provision of services which do not actually fall under their responsibility. Although the decentralization policy and the Municipalities Act formally have delegated specific responsibilities to the local government level, in practice, for various reasons, a process of renewed centralization and political polarization has taken place which is seen as a major obstacle to local development and democratic governance in Nicaragua.[47] In the absence of a national development policy, a certain tension has developed between the actions promoted by municipal governments, searching to identify alternative solutions to respond to population needs, and the economic reforms supposedly deemed necessary for the country's reintegration into the global economy.[48] In León, the situation is even more complex due to the political pressure. Political polarization is reflected in relations between the central level (Liberal Party) and the local authorities (Sandinista Front) – and the control which the central level has over local government. Despite the Municipalities Act, there have been systematic obstructions to projects developed and promoted by the local government of Léon.

Despite these difficulties, the greatest relevance of the example of local governance in León lies in the fact that a coalition of local government, community-based organizations, NGOs and bilateral agencies has survived over the last 20 years, and is addressing local priorities and health needs resulting from both natural disasters and national policy.

V. DISCUSSION

THE EXPERIENCES OF SILOS Zona Norte and the municipality of León confirm that localities have a role to play, since they offer opportunities for reaching social agreement between various stakeholders. Such agreement is often difficult to attain at national level in societies with a high degree of political and social polarization such as in Nicaragua and El Salvador. One of the most important results of the municipality health initiative in León

47. Ortega, M (2000), *Gestión municipal y decentralización de la salud en Nicaragua*, FLACSO-UCA, Nicaragua.

48. Ortega, M (2000), *Centro América. Decentralización y asociacionismo municipal*, CASC-UCA, Nicaragua.

has been the development of strategic alliances between the principal stakeholders at local and regional levels. The aim is to develop coordinated policies, strategies and activities and to promote an integrated approach to municipal health development. The involvement of different actors in the process of participatory governance and the joint policy developed in SILOS Zona Norte and in León would have been unthinkable at national level within the same period. The essence of the process in both cases is the concept that places health at the centre of sustainable local and national development. It is something that goes beyond the provision of health services, characterized by strong intersectoral coordination and genuine community participation. Both experiences confirm the dynamism that citizen participation is able to imprint on development processes such as the construction of health or healthy city processes. Moreover, we may affirm that these social processes cannot be conceived without a framework of democratic and participatory governance.

However, it is also true that the local level does not have the jurisdiction or power to address the inequity of access to the basic determinants of health in the city or the fundamental social and economic determinants of health in general. In El Salvador, as in Nicaragua, most municipalities suffer from a total lack of resources.[49] Until now, there has been no clear government policy or commitment with respect to decentralization or the strengthening of the authority, autonomy and capacity of the municipalities. In neither case has the Ministry of Health acknowledged the potential leadership role of the municipality in the development of health. Nor has there been any real decentralization within the Ministry of Health itself. Given the limited resources and the lack of influence on macroeconomic factors, such as the country's economic and tax policies, the local level is also quite vulnerable. The levels of democratic governance are also very weak, since the crisis of governability is related to factors that move well beyond the municipal territory.

Despite the official discourse on decentralization, participation, intersectoral action and equity, the case of SILOS Zona Norte clearly illustrates the gaps between needs and response, between rhetoric and practice.

An important element of these participatory processes is the aspect of ownership by local communities. The fact that the SILOS Zona Norte initiative gradually tailed off once external funding and support was suspended raises doubts about the level of ownership by local communities. Most probably, the fact that the initiative for the programme was taken by external actors – and did not involve local communities – might have contributed to this. On the other hand, the municipality health process in León has not been "funded" by any donor agency or bilateral organization. It is not seen as just another project, with its own offices and coordinator. The strength of the model in León, where the process developed bottom-up, lies not in external support but in real local ownership. The sustainability has not depended on financial support. On the contrary, it has developed within a non-conducive and hostile environment with respect to the relationship between central and local government. This has clearly limited the possibilities of obtaining external funding. However, other factors that have contributed to the sustainability of the initiative are the alliances established among major stakeholders, citizen participation, sound local government and a vision of strategic local health development. Most projects developed within the municipality have built upon the above-mentioned factors. Even if considerable resources had been available for implementation and operationalization, these projects would

49. In Nicaragua in 1998, municipal taxes were lowered from 2 per cent to 1 per cent of total government funding.

not have been sustainable without the platform of good local governance within the municipality.

The new development paradigm presents democratic local governance as an instrument to construct a modern and efficient state that will ensure effective management of public funds to alleviate poverty and to ensure economic growth. The participation of civic organizations which adopt the responsibilities formerly belonging to the state, and which ensure control over public administration is a crucial element of democratic local governance. This democratic society will produce extremely dynamic localities and involve a wide range of sectors including those formerly politically excluded sectors.

However, the experiences of León and SILOS Zona Norte demonstrate severe incoherence, caused by attempting to reconcile contradictory processes, for example, to promote on the one hand community participation in decision-making processes as a basis for development and, on the other, the market as a regulating mechanism of public services. It is clear that the privatization of public services does not strengthen collective participation. On the contrary, it increases individualization by converting the community to individual consumers. The reduced state (another part of the paradigm) is not able to resolve the basic needs of the population – already marginalized and impoverished – and the population does not have access to the services provided by the market. Therefore, the required dynamism for economic reactivation disappears or becomes weaker, the levels of poverty are deepened and the governability of a country may enter into crisis.

In Bolivia, economic restructuring and privatization have led to a decline in government revenues and a continuing economic crisis. According to Kohl, political restructuring through decentralization and the Law of Popular Participation has "...*resulted in the entrenchment of local elites as in increases in truly democratic control of resources and social investments.*" While investment by foreign companies has increased, "...*the lack of benefits for the majority of the country population has led to mounting social protests in the face of reduced government spending on social programmes and increased prices for basic services.*"[50]

50. Kohl, B (2002), "Stabilizing neoliberalism in Bolivia: popular participation and privatization", *Political Geography* (article in press).

In León, not only has there been no decentralization of resources (6 per cent of the budget, as required by the Municipalities Act) but also the political polarization between the central level and the local authorities has reduced access to resources beyond the limited tax collections carried out at local level. In SILOS Zona Norte, the real and increased participation in decision making by local communities was considered a threat despite the official discourse of citizen participation. The communities, however, succeeded in maintaining control of the initiative by safeguarding the participatory process of the construction of health against the building of a hospital.

Both cases provide evidence that the healthy municipality/SILOS approach has been a successful social glue and mobilizing element in these local initiatives for health and sustainable development. The processes produced a community of interests, which strengthened the localities. A model based on provision of health services (as opposed to a more participatory, integrated and cross-sectoral approach) is not only less effective but also helps to disarticulate the local organization. Despite the successes achieved within this local delimitation, it is clear that the poverty levels and living conditions of large sectors of the population are far from being improved – and that it is beyond the scope of democratic

governance to resolve these enormous problems. Processes of local democratic governance or processes of social construction of health such as Healthy Cities should not generate the illusion that governance and equity in health are to be achieved within the confines of the city.

VI. CONCLUDING COMMENTS

CHANGES IN LOCAL governance cannot be divorced from wider national – and international – forces, which shape the context of local political action. There is no doubt that a development paradigm should promote democratic local governance jointly with policies that address the problems of social, political and economic inequity, which continue marginalizing large sectors of the population. Otherwise, democracy will remain limited, governance will not be sustainable and poverty will continue to deepen and limit economic development.

A development paradigm should be based on the understanding that, before considering the administrative deficiencies at the local level, development is dramatically determined by the potential within each country to compete in international markets and by their financial capacity, which allows them to pay off the external debt and the interest rates. Most of the economies in the southern hemisphere are tied to the payment of external debt. Prospects for breaking this vicious circle (debt-payment-loan-increased debt-loan-increased debt-payment) are bleak.

The social history of Central American conflicts is related to structural inequalities, as social, economic and political structures developed along highly exclusionary lines. The absence of war in the region does not necessarily mean the absence of violence and certainly not the end of conflict.[51] The imperative of reform is incontestable. Implementation of macroeconomic stabilization policies in the fragile postwar contexts of Nicaragua and El Salvador may not exactly have contributed to peace-building, given the limited attention to budget cuts and the ways that trade liberalization might impact the urban and rural poor.[52] Innovative health experiences based upon democratic local governance, such as those described in this article, without doubt may play a role in peace-building from below. They should therefore be taken into account in reform processes towards sustainable development. However, there appears to be an urgent need to extend democratic governance to the international level, in an effort to reorient global policy development.

51. See reference 6.

52. Boyce, J (editor) (1996), *Economic Policy for Building Peace: The Lessons of El Salvador*, Lynn Riener, Boulder, Colorado.