Decentralization and Rural Development in Mexico: Community Participation in Oaxaca’s Municipal Funds Program by Jonathan Fox; Josefina Aranda

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Published by: Cambridge University Press

Stable URL: http://www.jstor.org/stable/158552


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The book's main strength lies in its discussion of political institutions. Handelman does an especially good job on presidentialism and the electoral system. He manages to keep the discussion accessible while still conveying a sophisticated understanding of the Mexican system. The chapter on economic change would not satisfy an economist, but contrasts import substitution industrialisation (ISI) with neoliberalism at a level that most undergraduates should understand.

Less satisfying, to my mind, is its rather haphazard theoretical framework. Despite subtitling his book 'the dynamics of change', Handelman offers no sustained argument about what causes political change in Mexico. He mentions individual factors in the context of specific changes, with little discussion of how these factors tie together in theories of political change. Political economy is particularly neglected; there is little effective analysis of the impact of neoliberalism on political variables such as union alliances, PRI support, stability, etc.

Instead of a unifying argument, Handelman offers two unifying questions: whether Mexico can make a smooth transition to democracy, and whether the economy can resume steady growth while moving toward more equitable income distribution. The book jacket promises to 'help undergraduates answer these questions for themselves'. However, Handelman does little to help students by linking features of the Mexican system to the probability (or lack thereof) of either outcome. Empirical material is presented chronologically and thematically rather than in the context of these questions. The questions themselves do not take centre stage; they are buried in the preface, and not repeated consistently in the text.

Still, Handelman's book manages to cover an impressive amount of empirical ground without losing accessibility. Appropriately supplemented with more challenging theoretical readings, it would be a useful primary text for a variety of courses.

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Oaxaca is one of Mexico’s most impoverished states. With 40 per cent of its three million population speaking an ‘Indian’ language, and most of its 570 municipios deeply influenced by peasant out-migration to Mexican cities, rural plantations or the USA, it is an obvious candidate for funds targeted at poverty. Fox and Aranda also indicate that Oaxaca is ideal for a programme of decentralised lending (and its evaluation); its ‘system of local government is unique in Mexico, since the jurisdictions are much smaller, more numerous, and relatively more autonomous than in other Mexican states’ (p. 3).

The Municipal Funds Program, supported by the World Bank at the instigation of the Mexican Social Development Ministry (SEDESOL), aimed to
carry out small public works. It would thus improve living conditions at the level of the municipio and enhance the incomes of peasants in areas of low productivity, especially indigenous people, and residents of marginal urban neighbourhoods. Guidelines indicated that local committees should be set up to manage the funds and fix priorities year by year; the balance in the allocation of funds (US$ 17,000 per municipio) between municipal head-townships or -villages and smaller settlements was also specified.

In Oaxaca, however, the majority of municipios operate, politically, not with balloted elections but with open assemblies (usos y costumbres), where men meet to discuss community affairs and arrive at a publicly declared consensus. It was through assemblies at the municipal and sub-municipal levels that funds were deployed in the early 1990s in two-thirds of the cases investigated. The lion's share (76.8 per cent) was split between expenditure on paving roads, and such like, in the village centre, education and drinking water, and 18.0 per cent was divided between rural roads and crops storage and marketing. Only 5.2 per cent was committed to productive infrastructure.

Just over half the projects in indigenous communities were assessed to have had a significant impact, compared to a 62 per cent success rate in mestizo areas. This difference was partly due to the competitive party systems in the more populous, mestizo municipios; they were associated with significant projects, even where the government in power was opposed to the national (and state) ruling party, the Partido Revolucionario Institucional.

Fox and Arranda argue that the Oaxaca programme was successful, but that it depended on municipal democracy as well as intra-municipal decentralisation to the smallest population clusters. In short, 'the impact of decentralization on government responsiveness depends more on the structures of governance than on funding flows'. They conclude, extrapolating to the rest of Mexico, where these pre-conditions are less common, that 'increased funding without institutional change is likely to reinforce the existing institutional structure' (p. 50) – in other words, true decentralisation will not occur.


This volume arose out of a one-day multi-disciplinary conference held in 1994 at the Centre for Latin American Research and Documentation in Amsterdam. The conference was inspired by the recent Zapatista uprising in Chiapas, and the ongoing civil war in Peru. Its implicit aim was to situate these two events within a comparative historical context. The resultant volume is also shaped by these concerns. Six chapters focus on Chiapas. The remaining five examine rebellion in the Andes. Each chapter examines a specific uprising. The chapters on Chiapas consider the so-called Battle of Sumidero in the early sixteenth century, the comparatively well-studied Tzeltal Revolt of 1712, the Caste War, and the Zapatista revolt of 1994. The Andean section explores aspects of the Túpac Amaru revolt, Mapuche insurrection in nineteenth century Chile, The War of the Pacific, an indigenous revolt in 1920s Ecuador, and Sendero Luminoso.

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