REGIONAL DEVELOPMENT POLICY IN BRAZIL, MEXICO, AND COLOMBIA: A COMPARATIVE ANALYSIS*

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INTRODUCTION

The current economic crisis in Latin America, coupled with severe internal dislocations in the majority of these countries, has made the debate over the allocation of economic resources between center and periphery unusually tense. In the not too distant past most development planners and regional politicians shared common ground in their desire to have central government funds transferred to regional authorities for regionally-oriented development projects and could point to a number of instances of success. But today the common complaint is the absence of such funding as a consequence of the need to concentrate available resources in the center, where national

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problems transcending those of any one particular region can receive attention first. Even in countries like Colombia and Brazil, where regional interests have long exercised a decisive influence in the shaping of national development plans, the transfer of new public moneys to meet regional needs is much less likely to occur — given the severity of the current crisis. As a consequence, many programs have come to a halt, while others continue to operate at such a reduced level that their ability to achieve any impact is minimal. This situation is fraught with implications for the regional sciences. Whereas previously most discussions in this field concerned which strategy were most likely to achieve an impact at the local level and dealt with the region largely as a self-contained subsystem — today we can no longer have the luxury of being able to ignore how the region fits into wider configurations of power involving the state as a whole. The main proposition around which this paper is centered thus argues that a crucial but frequently neglected aspect of regional development policy entails mapping out patterns of organizational interaction within a given spatial context and specifying how the region is intermeshed with the surrounding power structure at the subnational as well as the national level.

Once this perspective is adopted and one looks at successful instances of regional development in Latin America — i.e., at cases where change-oriented programs have had an impact across a decade or more — then I would submit that there is much to be gained at the present moment by inquiring into the sources of their success. This is because the established record points to far many more instances of failure or marginal impact. My interests, consequently, are focused on identifying those cases throughout Latin America where regional development programs have become institutionalized and where, despite the conditions of scarcity characteristic of the present era, they continue to constitute endeavors of considerable weight within their respective national contexts. Why these successes in the midst of failure in so many other quarters? How have these organizations contributed to the overall economic growth of their respective regions and to an improvement in the quality of life for important social sectors in these areas? Does the study of their performance have anything new to contribute to the current debate over how to escape from the present economic crisis and resume the attack on regional disparities — in a world area in which capital cities historically have benefitted the most from overall economic and social progress to the detriment of outlying regions? These are the questions which this paper seeks to answer in a preliminary fashion.

THE PAST RECORD

There has been no shortage of writing over the past several decades on the strategies most appropriate for accelerating economic growth and dealing with the problems
of underdevelopment. Within this literature there is likewise ample discussion of the desirability of targeting certain areas outside the center as potential growth poles and concentrating within them the economic resources designed to insure their development largely as self-contained subsystems. Encompassed within this work is also substantial agreement over the goals to be achieved — economic growth and diversification, increased income for larger sectors of society, higher literacy rates, expanded social services, increased longevity of life, improved living conditions for greater numbers of people. To accomplish these goals and to relate them in some sort of more realistic way to people in the countryside, essentially three strategies have emerged: technocratic, reformist, and radical (or revolutionary) solutions to the problems of underdevelopment — problems which are above all tied to conditions of life for the rural poor. Each contains very different values and preferences, but most end up favoring the imposition of change from above and advocating the diffusion of new techniques and approaches to organizing society, from modernizing centers to lesser developed peripheral areas, through hierarchical relationships.

Against this perspective stands an alternative body of theory and practice. Rejecting central government initiatives, it emphasizes decentralization and grassroots development strategies as the most effective way to deal with poor regions and argues that much more is to be accomplished by identifying micro regions, abandoning system-wide change, and focusing on local-level development as a distinct category of analysis. During the late 1970s, this concern with local development and with people — rather than national development and aggregate indices of growth — expanded into a more specific concern with participatory local organizations as intermediaries between central governments and individual citizens. These schemes, which were designed to promote integral rural development, had the merit of calling attention to the interrelatedness of life at the village level and the need for change-oriented strategies affecting the whole community.

As a consequence of the interaction of these two perspectives and awareness of the limitations of both the hierarchical approach as well as community-centered endeavors, one can identify presently a growing interest in intermediary structures and the importance of developing and facilitating mediating structures at the regional level as a way of spanning the gap between center and periphery. This has been a development of the 1980s in the practitioner literature as well as in academic studies of the causes of uneven development and the limited capacity of change-oriented theories to transform conditions in poor areas. As a consequence, one can identify today growing interest not only in identifying mediating structures at the regional level but also in developing strategies for working through them.
THE ANALYTIC FRAMEWORK

Given this past record and the current interest in improving the performance of mediating structures linking together center and periphery, a holistic view of the state becomes essential. While there is a long and well-established tradition in Marxist thought directed at the centrality of the state in capitalist economies, what needs to be done here is to expand the concept so that it can deal with a wider variety of competing social, political, and economic forces. In order to do so, one must begin by mapping out the structures of the state, devote attention to the extension of these structures in a spatial context, and ask how these structures are tied in with existing social, political, and economic groups. To accomplish this objective, there is a concept developed within the field of U.S. public administration which, once adapted to the crossnational context, is particularly useful: intergovernmental relations.

The study of intergovernmental relations is an old topic in the U.S. public administration literature. This is because it is central to the problems presented by federalism (the division of powers between the federal and the state governments) and the separation of powers (the maintenance of autonomous executive, legislative, and judicial branches within the same level of government). The institutional consequences of these two principles have long plagued those who have endeavored to establish greater coherency in U.S. public policy. For, in this type of policy context, the coordination and control of public programs at the operational level becomes extraordinarily difficult to achieve. Over time, as the complexity of political, social, and economic issues has grown, there has been a corresponding increase in the responsibilities and the activities of government which has made these problems all the more acute. From this situation stems the designation of intergovernmental relations as a distinct field in the U.S. that is designed to deal analytically with the interaction among a multitude of different public organizations at the federal, state, and local level and how to transcend separately constituted jurisdictions and overlapping responsibilities within the same spatial context.

Much less common is the discussion of these problems and issues as a distinct subset of endeavors in other governmental systems. In the Western Hemisphere there are really only two additional instances: Canada and Brazil; in Europe, another two: West Germany and Yugoslavia — although in the latter cases such issues are usually considered to be extensions of public law and are rarely seen as sufficiently complex to warrant independent study. Much of this is due to the fact that up until recently, discussions of intergovernmental relations have been restricted to consideration of the relations among levels of government in the classical federal systems (the U.S., Canada, and Australia). Nevertheless, the concept has as much utility today in unitary states as in federal ones — given the complexity of all contemporary governments.
One of the most cogent examples of this is to be found in Crozier and Thoenig's discussion of the problems of implementing change at the subnational level in France. The particular problem that concerns these authors is the frequency with which central plans designed to achieve administrative reform and/or decentralization have been subverted by a stable set of regional power relations. Crozier and Thoenig's analysis, however, centers on center-periphery relations, rather than on intergovernmental relations per se. Regardless of this fact, Crozier and Thoenig demonstrate how important it is to clarify the total set of institutional and group relations operating in the periphery before undertaking any endeavor designed to promote change at that level. As such then, their work is of particular relevance to the argument that there is much to be gained in the analysis of regional development policy by incorporating into these studies a concern with intergovernmental relations prior to initiating change.

On the basis of field work conducted in three departments and interviews with 527 individuals in those departments' major organizations, Crozier and Thoenig establish quite effectively how public affairs at the subnational level involves a stable set of relations linking together political, economic, and administrative elites — regional as well as national. Despite repeated efforts to establish viable regions, transcending the departments, the authors point out how these provincial power structures — consisting of local mayors, central ministry delegates, local notables, prefects, general council presidents, and influential provincial political leaders with national standing — have long constituted a stable system of relationships capable of displacing external pressures for reform and change. In such a setting, the authors argue, ignoring the particular patterns of power and political and bureaucratic relationships developed over the years at the subnational level insures minimal impact of any decentralization strategy centered on community-based organizations.

The relevance of the Crozier-Thoenig research to this discussion is two-fold. It provides an illustration of how the structure of the state as a whole exercises influence over subnational administrative behavior, independent of economic differences among regions. It also directs attention to the interaction among levels of government in one of the oldest instances of unitary government. To deal with the issue of why it has been so difficult to decentralize power in France, they found it necessary to analyze national, regional, and local authorities working in the same spatial context and to identify political and economic elites outside the central governmental apparatus, with interests at stake in the same region.

In essence, then, the intergovernmental relations construct is one which, when expanded beyond its current idiographic use by public management specialists in the United States, Canada, and Brazil, has considerable explanatory power. Whatever the national community and the particular form given to the central government,
the political and administrative relationships maintained between center and periphery constitute a critical intervening variable, one that influences how policies are implemented, how they are converted into specific programs and activities with an impact on local populations, and how influential in these regions can give shape to these endeavors. 

Applied to the regional development policy context, this concept directs attention to structural relationships linking together subnational and national organizations and actors and the extent to which they are integrated into a coherent national power structure or disarticulated into competing and overlapping centers of power — some national in scope, others regional. It also explains why local conditions, local actors, and local organizations frequently have more impact on what is accomplished programmatically at the local level than do central government directives issued either directly by administrative organs in the center or through their regional representatives. One way of explaining this is to focus attention on the policy implementation literature. For example, Richard Elmore has called attention to the existence of two important assumptions in such work: that "the closer one is to the source of the problem, the greater is one's ability to influence it," and that "the problem-solving ability of complex system depends not on hierarchical control but on maximizing discretion at the point where the problem is most immediate." Such assumptions have particular relevance to regional development strategies and the debate over which is most likely to have sustained impact.

The first step in evaluating the success cases in regional development policy in Latin America thus entails identifying all pertinent actors. These usually include field agencies of the central government, regional authorities, and local authorities as well as nongovernmental organizations and associations. But, which organizations are actually engaged in development programs and activities at the local level, or have the potential to become involved in them, is a question to be answered on the basis of evidence. Once that information is obtained and the structure of the regional setting is specified, one can then proceed to identify the patterns of interaction or lack thereof within the same territorial space, evaluate much more effectively regional development policy accomplishments, and answer the question to what extent original policy goals have been fulfilled.

THREE CASE STUDIES

Mexico, Brazil, and Colombia provide insight into the accomplishments as well as the obstacles to regional development within this framework. The twenty year period extending from 1965 to 1985 in each embraces both unparalleled optimism regarding
the prospects of economic growth end the possibility of improving social conditions for an ever expanding number of people as well as acute awareness of the limits of growth, their vulnerability to world market conditions, and the twin burdens of excessive indebtedness and ever constant, accelerating inflation. Very different countries, these three countries share in common the fact that they cannot be counted among the lesser developed countries. Today they belong in the ranks of what are known as the newly industrialized states as a consequence of their development of important industrial centers, increased per capita income, and the presence of socioeconomic indicators that in the aggregate place them midpoint between the industrialized countries and the poorest nations. At the same time, each continues to be saddled with major underdeveloped regions and with a sizable portion of its citizenry that is unemployed or underemployed, ill-housed, ill-fed, and poorly cared for. Equally important is the fact that many of these governments have manifested long-standing commitment to removal of regional inequities and to the improvement of the conditions of life for less advantaged members of society.

These three countries also provide useful contrasting cases. Ideologically speaking, their governments espoused very different sets of values during these two decades. March 1964 to March 1985, for example, coincides with the full cycle of right-wing authoritarian rule in Brazil. What began as a military caretaker government, designed to curb the excesses of democratic populism, became institutionalized as an exclusionary authoritarian regime during the 1970s. Accelerating Brazil's aggregate economic growth, this regime increased income disparities, expanded the industrial sector, and lowered social benefits for the least advantaged members of national society. Then, in the face of popular unrest and declining economic performance, the governing elite gradually opened up the system to mass participation until there was a return to full-fledged democratic rule in 1985. For Mexico, these years span the transition from self-confidence and belief in the prospects of unlimited growth to profound economic crisis. Despite the fact that Mexico has had Latin America's most stable regime (under the auspices of a single party epitomizing the institutionalization of the country's revolutionary tradition), the economic crisis has shaken the political economy of modern Mexico to its very foundations and called into question the social pact consolidated during the late 1930s and the 1940s. In Colombia these decades coincide with the consolidation of the National Front (1958-1974) and its subsequent replacement by a system of competitive elections (1974 — present). Despite the fact that the 1957 national accord was embraced by the political elite and ratified by popular plebiscite, it was not at all certain at the outset that it would endure the full sixteen years agreed to and would in time serve as the basis for the return to competitive elections between the Liberal and Conservative parties. Thus, these years cut across an important period of transition in Colombian politics, in which despite sustained rural violence (La Violencia, 1948-1964/66) and military rule (the Rojas dictatorship,
1953-58), neither apathy, nor violence, nor economic dislocation has been sufficient to bring about the breakdown of its democratic regime. Far from a perfect democracy, what is impressive about Colombian experience during this era is sustained commitment to democratic procedures. For this reason, despite economic recession and increased guerrilla activity since 1980, the prognosis for Colombia remains one of issue resolution within the context of a dominant two-party system. Nevertheless, the expansion of rural violence in the south, the extension of guerrilla activity into adjacent urban areas, and the increasing evidence of close ties between guerrilla leaders and narcotic traffickers constitute pressures so severe that questions of regime viability are beginning to be raised. Like Mexico, current political practices are so well institutionalized that it is difficult to consider their replacement a distinct possibility. Yet, sustained stalemate, stasis, and guerrilla activity in the context of rapidly deteriorating economic conditions in Colombia — just as the size of Mexico’s indebtedness, its economic crisis, and the recent devastation of that nation’s capital by earthquake — raise the question of just exactly what are the limits of tolerance.

Their spatial settings are equally varied. Mexico is the second largest nation in Latin America, but its long, common, open frontier with the United States has always placed severe limits on the autonomy its size would suggest. As Mexico approaches the end of the century, it is increasingly apparent that its economy is inextricably intertwined with that of the United States, despite repeated assertions of political independence and an intense nationalism reaffirming Mexican values as opposed to those of the United States. Brazil, in contrast, is Latin America’s largest state. Continental in dimension, its growth in economic autarky has made it the dominant regional power in South America. For all its economic problems and despite the fact that its indebtedness is the largest in the world, its São Paulo industrial complex clearly constitutes the region’s most dynamic concentration of public and private enterprise. Today Brazil stands apart from the rest of Latin America in the percentage of its export trade devoted to industrial commodities. Colombia differs most significantly in its physical and human geography. In a real sense, more so than any other Latin American state, it is microcosm of the whole region. Its Atlantic coast is thoroughly Caribbean; its Pacific coast replicates the isolation and limited access to world trade long characteristic of West Coast South America; the constant fluctuation between mountains and valleys in the interior — where the majority of the population is located — make it an extension of the Andean world, while the extensiveness of its plains areas and the tropical rain forest in the east link it to the vastness of the Brazilian interior. A middle-size state, intense regionalism — closely identified with autonomous economic interests — has always meant that the marked centralism of the Mexican system is absent from Colombian politics. At the same time, it is a unitary republic in which clearly one city is dominant and thus very different in the interplay between center and periphery characteristic of Brazilian federalism and the autonomy accorded
many Brazilian states.

MEXICO

Beginning in 1947 Mexico embarked on a policy of regional development through the formation of river basin commissions in underdeveloped regions, the best known of which are those of Las Balsas, Papaloapan, Chontalpa, and Río Lerma. During the 1950s and 1960s sizable public resources were diverted to those operations, to such an extent that these regional commissions came to constitute powerful and vital organizational networks at the subnational level. During their heyday, they were as independent of individual state governments in the regions which their jurisdiction transversed as they were of central government ministries and secretariats.

Patterned after the model of the Tennessee Valley Authority (the TVA), sustained presidential support was the key to their initial success. Inaugurated during the sexenio of Miguel Alemán (1946-52), they continued to receive active support during the administrations of Ruiz Cortines (1952-58) and López Mateos (1958-64). Throughout this era of consolidation (one perhaps best illustrated by the impressive physical plants these commissions acquired), expresidentes Cárdenas and Alemán continued to provide active support.

Cárdenas’ role was especially important in the constant lobbying that went on across these years to expand the regional development plan for the Río Balsas from flood control, irrigation, and agroindustrial development into the creation of a development pole in this region with its own industrial platform. The key to this scheme was the presence of extensive iron ore deposits in Michoacán (Cárdenas’ native state), in the region immediately adjacent to where the river empties into the Pacific. The outcome of these endeavors was the Las Truchas steelworks, first authorized as an official government undertaking in June 1969 (Siderúrgica Las Truchas, S.A.—SITSA) and finally implemented as an actual programmatic endeavor, under the designation Siderúrgica Lázaro Cárdenas-Las Truchas, S.A. (SICARTSA) in August 1971. The physical construction of the steel works extended across the presidency of Echeverría to its official completion in August 1976 shortly before Echeverría turned the presidency over to his successor López Portillo (1976-82). It, more than any other regional development project in Mexico, has come to symbolize both the promise and the frustrations in implementing regional development programs along the periphery of the central highlands where, with the exception of Monterrey in northern Mexico, the bulk of the nation’s resources, development, and population are concentrated.

The opening of the Las Truchas steelworks in 1976 coincided with the culmination of the disjointed intergovernmental relations long characteristic of Mexico’s central
government-directed development model and with the shift toward greater coordination and control over state bureaucracy from the center. Whereas before 1976 administrative action had become compartmentalized along ministry, secretariat, and public enterprise lines — with each organization largely determining its own field structure — after 1976 public administration reform gained the upper hand through the coordinated action of a section within the Presidency of the Republic known as Coordinación de Estudios Administrativos. At the national level the key organization for transcending ministerial and public agency autonomy became the Secretaría de Programación y Presupuesto.

At the subnational level, several changes occurred simultaneously. The role of state governors was expanded to encompass administrative as well as political responsibilities. Second, central government agencies with field services following functional designations independent of state political demarcations were reorganized to bring them in closer compliance with state political boundaries. Third, responding to World Bank requirements that Mexico’s application for rural development loans focus more on integrated rural development and less on public works type projects, the federal government inaugurated a grant-in-aid program which encouraged coordinated field operations by working through the state governments. Both of these programs — the Convenios Unicos de Coordinación (CUC) and the Programas Integrales de Desarrollo Rural (PIDER) — required federal agencies to coordinate new program and project activities through the utilization of state development committees under the jurisdiction of the state governors. These programs also designated the state offices of Programación y Presupuesto as control agents regulating the release of central government funds to the states for state-focused development programs.

The most telling aspect of the success of this reorientation of subnational administrative action was the impoverishment of the river basin commissions. By 1980 these commissions found themselves drained of public funding. Furthermore, their actions were constrained by the primacy given to the state governors and the pressure on federal agencies to orient their field activities according to the preferences of the governors and their governing teams.

BRAZIL

The Brazilian response to regional development pressures (both as a political movement and as a goal or task of public authorities) parallels the Mexican pattern in many respects up until the 1960s. The major difference lies in the response to Brazilian conditions — namely, the concentration of underdevelopment in one region (the Northeast) and the opening up of the interior to new settlement (the Amazon basin and the center-west). But, like Mexico, during the 1950s the idea of regional develop-
ment in accord with natural regions, following in large part the major river basins, dominated the thinking of those involved in regional development. The primary thrust of these endeavors was to reorient central government programs in the Northeast away from public works schemes (designed to respond to the drought cycle afflicting the region) toward integral regional development.

The best representatives of this strategy in the Brazilian case are the São Francisco Valley Commission (CYSF) and a related, but separately constituted mixed enterprise, the São Francisco Hydroelectric Company (CHESF). Like the Comisión del Balsas, the regional development program elaborated for the São Francisco (a river which cuts across a major part of the northeastern interior) sought to promote integral regional development through a multipurpose commission. In this instance, the programs focused on water control, river and port improvement, hydroelectric projects, and infrastructure improvement. They differed in the prior constitution of a separate and a distinct mixed, public sector-dominated enterprise to produce and market electrical power in the Northeast (CHESF, which was formed in 1945, three years before the CYSF).

Nevertheless, this development represented more of a variation in the two countries' use of the state to promote economic development than a distinct departure. In the region immediately adjacent to the São Francisco’s headwaters in Minas Gerais, the government also established a public enterprise to extract iron ore: the Companhia Vale do Rio Doce (CVRD). Created in 1942, by the mid-1970s it was producing more than 75 percent of Brazil’s iron ore exports and had expanded into a whole series of joint ventures with foreign companies.

From the time that serious discussion and negotiation of a regional development authority for the entire Northeast began in the early 1960s, Brazil moved in a direction different from that of Mexico. By the mid-1960s, under the leadership of Celso Furtado, SUDENE (the Superintendencia do Desenvolvimento do Nordeste) had amassed sufficient financial resources and political support from the central government to put into operation an elaborate scheme for transforming the entire northeastern quadrant of the country. The military coup of March 1964 and the consolidation of a new governing power structure in 1965-66, however, brought these programs to an end, especially the attempt to undercut the political power of the state governors and the regional elite. Military control of the presidency and civilian technocratic dominance of the administrative organs crucial to control of the economy and development policy coincided with shifting SUDENE’s responsibilities in the direction of more technical solutions, especially the development of industrial poles. This pattern was much the same as that followed in Mexico: the public entity charged with regional development functions was not abolished, but its mission and, more importantly, its funding were so curtailed as to reduce it to the level of simply another public
agency, in a complex governmental bureaucracy, competing for public funds.\textsuperscript{10}

Before considering the public enterprise model utilized for achieving national (and hence regional) development during Brazil's authoritarian interlude (1965-1985), one must understand that a very different center-periphery dynamic has continued to operate in Brazil, in contrast to that of Mexico. Certainly Mexico has always had very important regional political and social forces and has experienced periodic regional movements, giving expression to social, cultural, and political dissatisfaction from below, regardless of the action or inaction of central authorities. But Mexican government has always followed a unitary state model in practice, even though constitutionally it has been a federal republic since 1917 with strong legal language speaking of free and autonomous state governments and equally independent municipalities. In contrast, regional power structures with the ability to maintain a distinct arena of political involvement, separate from that of the national government, has always been a basic fact in the political life of Brazil. Even during periods marked by the greatest centralization of power (the unitary constitutional monarchy of the late nineteenth century, Getulio Vargas' Estado Novo regime of 1937-1945, and the bureaucratic authoritarianism just ended), many of Brazil's state governments have continued to function as independent actors in national politics. Such a pattern certainly is not characteristic of every state in the federation, yet in any discussion of center-periphery dynamics in Brazil the states of São Paulo, Minas Gerais, and Bahia clearly stand out as viable regional units.

From this perspective one of the most important regional development endeavors of the 1970s was that mounted in the state of Minas Gerais, independently of the planning priorities set by the national government. The particular formula arrived at in Brazil for accelerating development during the 1970s was the tri-pe strategy. This model advocated the tripartite sharing of development responsibilities in designated regions. Under this model, central government authorities were charged with control and coordination functions. Public enterprises were given responsibility for initiating new economic activities. And, private enterprise became the source of complementary capital and technological resources. (Although such firms were usually foreign, the domestic sector was not excluded.)

However, it should not be concluded from this that the federal government dictated all regional development endeavors. For — in what is the major instance of regionally-initiated development — it was the state government of Minas Gerais that played the major role from 1971 to 1975 in the attraction of outside investment for the purpose of developing the mineiro economy, not the national government. State government resources were used to match private domestic and foreign capital (which came from the U.S., Canada, Germany, Denmark, and Italy). Special legislation was passed by the state government to create tax incentives. And, public enterprises owned by
the state government and the regional offices of those belonging to the federal government were mobilized to support the overall industrialization effort.

Luis Aureliano Gama de Andrade demonstrates clearly in his case study of Minas’ economic take-off during the 1970s that the military-dominated federal government cannot be credited with the recovery and expansion of the Minas economy. Federal authorities were not hostile to such endeavors; they simply perceived Minas to be peripheral to the national development plans they had formulated. Yet, at the same time, this regional development thrust could not be an entirely autonomous undertaking. National supports — funding and favorable action by federally-owned state enterprises operating within the state as well as credits and assistance in the recruitment of foreign capital — were essential. The crucial organization making all this work became the CEMIG, the state-owned utility company affiliated with the national holding company for electrical power.11

Whereas the Minas-development case has no parallel in Mexican experience, a second regional development project belonging to the same period — the petrochemical complex known as Camacari, outside Salvador, Bahia — carries with it some of the same thinking present in the Las Truchas undertaking. Yet even here there are several crucial differences: Whereas the Las Truchas scheme also involved foreign enterprise in association with state and federal government authorities (the Krupp interests in Germany), it was primarily an undertaking of the federal government (with the Secretaría de Industria y Comercio — SIC, Nacional Financiera — NAFINSA, and the Chief Executive providing the key support), working through a regional development commission (the Comisión del Río Balsas — CRB). In contrast, the Brazilian undertaking, although it had its supports in Brasilia, was much more the consequence of political entrepreneurship at the state level in which the public sector provided the initiative, but private sector interests, both foreign and domestic, had ample participation varying from minority to majority participation in the 32 separate companies comprising the complex. The core organization in the complex, COPENE, was a state-based joint venture in which PETROBAS and its regional subsidiary, PETROQUISA, had a major but no longer controlling interest (as of 1979), whereas the CRB was an autonomous governmental agency and Las Truchas, a public enterprise. In operations what this meant was that COPENE functioned as a corporation, as any firm with profits and losses, while the CRB operated exclusively through federal government transfers and Las Truchas enjoyed the status of a public enterprise subsidized by the central government. In the Brazilian case, central government action was just as important for the success of the undertaking, but — rather than involving years of intense bargaining among key individuals (presidents and expresidentes) and reconciling competing institutional interests (SIC, NAFINSA, the Secretaría de Hacienda y Crédito Público, and the Secretaría de la Presidencia), as was the case in Mexico
— the plans for a petrochemical pole in the Northeast were drawn up and the financing arranged in several years’ time through the interaction of mid-career technocrats in federal and state governmental agencies. 

COLOMBIA

Of all the experiments with regional development in Latin America, the Colombian experience with the Corporación Autónoma Regional del Valle del Cauca (the CVC) is not only the closest replication of the TVA model but also probably the most successful instance of river basin development. Created in 1954 by presidential decree, the CVC was charged with responsibility for promoting the integral development of the Upper Cauca (the Alto Cauca) river valley — a region which embraces the headwaters of the Cauca in the area immediately adjacent to Popayán, the departmental capital of Cali, and the northern end of the Cauca valley at La Virginia, opposite the municipality of Pereira. While interest in creating a regional authority to promote the socioeconomic development of the Cauca valley dates back to 1921, it was the report submitted by David Lilienthal (the architect of the TVA) in June 1954 to the Government of Colombia which led to the commission’s creation. While the physical, economic, and technical conditions present in the Cauca valley made it an excellent candidate for an experiment in regional development, a crucial condition for Lilienthal was the presence of strong support among local leaders for undertaking such an endeavor. That very support, however — as was also the case with the TVA experiment — was the origin of considerable goal displacement subsequently as the CVC became institutionalized.

Like its TVA model, the CVC was set up as a broadly based regional development commission. As such, it was designed to bring about flood control, provide hydroelectric power, promote expanded agricultural productivity, develop recreational areas, and stimulate more broadly based development in the region once its more specific mandate was completed. All in all, the goal was broad based development of the sort which would lead to expanded agroindustrial productivity, a general rise in living levels, and an improvement in the quality of life in the valley for the majority of its residents. Again, like the TVA, from the beginning there was a conflict between the reformist goals identified with the CVC’s original legislation and the economic and political interests dominant in the region. The immediate issue, which almost destroyed the then newly created organization, was the provision for a property surtax of 0.4 percent to finance land reclamation and expanded agricultural production.

Such a provision carried with it an impact on local landowners whereby they would have ended up paying twice as much in property taxes as landowners elsewhere in
Colombia. A second major concern for established agricultural interests was their fear that the corporation would increase national controls over the local economy and society. When to this protest by regionally-based interest groups — principally regional units of the Sociedad de Agricultores y Ganaderos (SAG) and the Asociación Nacional de Cultivadores de Caña de Azúcar (ASOCANA) — was added the support of such political authorities as the governors of the three departments affected by the CVC and the president himself (Rojas Pinilla), then it became readily apparent in 1957 that a major change would have to occur in the CVC if it were to survive. 13

Once again, the parallel with the TVA is instructive. Just as the TVA found it necessary to coopt local interests to survive, the CVC had also to pursue such a strategy. The Colombian conditions which made this possible were the displacement of Rojas Pinilla from power and the subsequent round of political changes which ultimately produced the National Front accord. At the regional level, where the issue of land reform and national controls over local socioeconomic conditions was so sensitive, there was recognition that if the CVC was to survive it would have to accommodate local interests. Accordingly, in the 1957 reform of the CVC the property tax was reduced from 0.4 to 0.3 percent; bonds were made available which could be purchased with redemption in twenty years, in lieu of paying taxes; and increased control over the two non-governmental representatives on the seven-member governing board of the CVC was given to the dominant regional agroindustrial interests. Finally, commitment to a policy of decentralization was understood to mean continued responsiveness to local interests. 14

The outcome produced by these reforms was the continuation of this semi-autonomous regional authority and the responsiveness of its management to established regional economic interests. While periodically the autonomy of the CVC was threatened by attempts to increase presidential control, over time the CVC became a very powerful and important regional entity thoroughly identified with the local power structure. Consequently, such changes as those introduced by President Lleras Restrepo in 1968 — whereby the president would name not only the five board members specified in the original legislation but also the executive director and whereby the CVC was made an adjunct of the Ministry of Agriculture — failed to alter these institutional arrangements at all. Rather, they served to solidify the integration of regional and national official political interests, as represented by the Conservative and Liberal parties. These developments were subsequently given an updated legal expression in the form of Decree Number 737 of April 30, 1971 — the current regulation legislation for the CVC — well in advance of the return to open, competitive politics in 1974.

The economic success of the CVC in the electric power produced, in the land reclaimed, and in the economic growth engendered led in time to a shift in the agroindustrial
base of the Cauca valley, from a situation where extensive agricultural interests predominated in the 1950s to one where intensive agriculture — as represented by sugar and coffee production — insured the greatest income. This shift in the economic basis of the agroindustrial interests dominant in the region likewise had an impact on the programs of the CVC. If initially attention to extensive flood control measures and dam construction received scant support from local economic interests, by the early 1970s both flood control and land reclamation were considered to be in their best interests. Crucial to the preparation of a more supportive environment for the project was a serious detailed study of the region’s need for flood control and the benefits to be derived from it. After much debate, study, and restudy, serious planning finally began in 1975 for a major dam across the Cauca — the Salvajina project.15 And, actual construction of these installations was initiated in 1978. Thus, by 1985 — 31 years later — the flood control and land reclamation objectives so clearly stated in the CVC’s original objectives were at last approaching their fruition.

By this point in time the CVC has become recognized as a success story in Colombia. Not only has its growth and prosperity become an integral part of the overall economic growth and prosperity of the Cauca valley, but also it has become a major center in the professionalization of development-oriented personnel. Accordingly, expanding beyond its original jurisdiction, it was given a presidential mandate in 1979 first to renovate the port city of Buenaventura, on the Pacific coast immediately to the west of Cali, and then to develop the whole of the Pacific coast adjacent to the Cauca valley. Although Buenaventura had become by far the country’s most important port, in the volume of goods and services moved into and out of the economic and political center of the country, in no way did its physical plant facilities and urban services begin to approximate those of the older ports on the Atlantic coast, notably Barranquilla and Cartagena. Generally speaking, by 1985, the accomplishments achieved by the CVC in fulfilling this mandate to make Buenaventura a much more inhabitable and accessible city were impressive. More ambitious is the current Plan de Acción Urbano y Regional para la Costa Pacífica de Nariño y Cauca, which is being administered by the CVC in cooperation with the Departamento Nacional de Planeación (DNP) and with major funding coming from the Interamerican Development Bank.

This overall success story identified with the CVC, however, must be contrasted with that of the accomplishments of other regional development schemes in Colombia. By 1985, the DNP had in place an elaborate national plan with regional development authorities designated for virtually every major region in the country — as a consequence of interest expressed by these regions through the National Congress and the Presidency of the Republic and enthusiasm for reproducing the same patterns of success in other areas of the country. Here the results are mixed and the programs vary greatly.
For example, while the plan for the integral development of Antioquia (in areas immediately adjacent to the city of Medellín) suffers from an acute shortage of funds, it is at least operational. In contrast, the development plan for the Atlantic coast has failed to produce any concrete results. Originally it was hoped that by establishing a regional authority with the capacity to produce and sell electricity, the foundation for a broader based regional authority could be created through the Corporación Eléctrica de la Costa Atlántica (CORELCA). Competing economic interests aside — especially those between Barranquilla and Cartagena — there was no less desire on the part of local and regional elites to see CORELCA become an all-purpose regional development authority. But, whereas the CVC strategy produced results and that corporation is today an effective public organization with strong regional support, CORELCA finds itself saddled with serious difficulties and complaints from the municipalities dependent on its services. Thus, creation of a regional authority and the support of regional economic interests alone were not sufficient in this case to replicate the CVC experience. Why, then, these differences? And, finally, looking back at all three country cases examined in this paper, is there anything instructive to be learned from considering the successes and failures represented in these endeavors to promote regional development in the midst of scarce economic resources?

**CONCLUSIONS**

Consideration of these three case studies in light of the particular pattern established in each in intergovernmental relations and in public/private interaction leads to a single core conclusion: In no instance was it possible to devise regional development strategies with a sustained capacity for transforming socioeconomic conditions at the subnational level without relating them to national configurations of power. In none of these cases could movement toward institutionalization occur without developing a two-level strategy for organizational survival: a guarantee of continued support from the national government (more especially, the Presidency of the Republic and a core group of central governments agencies) and successful interfacing with regional and local authorities and interest groups. At the same time, the entry of national-level authorities opened up each of these countries’ regional development programs to wider political considerations and an intense jockeying for supports and resources in competition with other interests. Many of these interests were regional in character and were tied in with the economic stake these elites had at the subnational level, but equally important was the competition for power and resources to be found among individual public agencies within the state apparatus itself.

The second finding concerns the movement from policy to program. Once any regional
development policy is disaggregated into a series of self-contained programmatic operations, such activities will benefit some groups as opposed to others by making available new resources in lesser or greater amounts. Over time, to survive, these new intermediary organizations must consolidate an independent financial base of their own, while insuring both continued access to and support from national, regional, and local authorities. The success of such endeavors depends in no small part on the ability of the professional staffs of these organizations to convince established economic interests in the region of their significance, while maintaining credibility with such national institutions monitoring their activities as ministries or offices of national planning. Their bargaining and brokerage functions thus are crucial in their ability to serve as linkages between center and periphery.

Third, there is a difference among these three cases in terms of the extent to which these attempts at regional development had an impact on their immediate policy environment: the regions falling within their jurisdiction. The most successful case in these terms is the CVC (Cali, Colombia), followed by the CEMIG (Minas Gerais, Brazil). To a lesser extent, both the Camacari (Bahia, Brazil) and the Las Truchas (Michoacán, Mexico) projects represent the achievement of important, new regional initiatives. But, the question remains as to whether or not they will have sustained impact over time and thereby make significant contributions to the development of their regional economies. In August 1984, at the time I conducted field research in Brazil on state-federal relations, the prospects were such that this was a distinct possibility. The outlook, however, for the Las Truchas complex is not so promising. The economic crisis coupled with a different set of central government policies, the waning of spokesmen at the center with the capacity to leverage the necessary supports for a regionally-based project, and the limited nature of the ties with the state government all raise doubts as to whether this project will achieve the desired multiplier effect of contributing to development in the surrounding region. In this regard, one important ingredient has been absent in the Mexican case but present in the Colombian and Brazilian cases, to varying degrees: the willingness of central government authorities to accord to regional authorities sufficient autonomy and discretion to attend to program development without requiring prior consultation on all questions of policy.

Finally, all four projects confirm a conclusion reached by Selznick in his study of the TVA much earlier and in a very different policy context: Institutionalization of these programs entailed developing cooptation strategies which in turn tied them in with the existing power structure. In the process, goal displacement occurred as the core organization in each instance accorded more attention to the priorities set by regional elites than to development goals geared to a wider collectivity, as announced in their original plans. Again, the differences are great among these cases in the
extent to which goal displacement occurred. The CVC is closest to what occurred in the TVA in this regard. In contrast, neither the CEMIG or Camacari projects were intended from the beginning to have much of an impact on social policy; they were conceived and organized in the context of an exclusionary-oriented authoritarian regime. But, these differences aside, they all fall within the pattern of conservative or reformist strategies for generating regional development and, by definition, precluded direct attention to the needs of the least advantaged citizens residing in these regions from the outset.

NOTES

2. Bryant and White (1982).
8. The two major sources discussing the details of this development pattern are Barkin and King (1970) and Godau Schucking (1982). The Godau monograph merits special attention: it is a superb case study of organizational dynamics, personalistic politics, and intergovernmental relations extending across nearly three decades which finally resulted in the opening of a functioning steel works. It stands in the literature on Latin America as the sole instance of a detailed study within the context of an intergovernmental relations construct thoroughly integrating politics, economic development strategies, and the multitude of public agencies belonging to the state.
9. For the broader context within which policies focused on the Brazilian Northeast evolved, consult Hirschman (1963) and Robock (1963), (1976), especially pp. 51-54.

REFERENCES


