

Political and Fiscal Decentralization and Centralization. A Pendulum Explained by Power Relations among Elites: The Colombian Case

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Abstract

The present investigation contains a frame of reference to explain a territory's political and fiscal decentralization levels, which depends on the balance of power relations among elites, society, and context. This dynamic balance results in state structures with pendulum oscillation throughout its history; that is, power fluctuates between the central and territorial levels. I explain the Colombian case by examining the history and identifying the pendulum moves with the rhythm of power relations among elites. For primary sources, I use the constitutions promulgated in Colombia, the fiscal, political, and territorial regulations, the official gazettes of the Constituent Assembly of 1991, and Legislative Acts 01 of 2001; 04 of 2007.

Keywords: Fiscal decentralization, political decentralization, centralization, elite, government, rules, Colombia.

1. Introduction

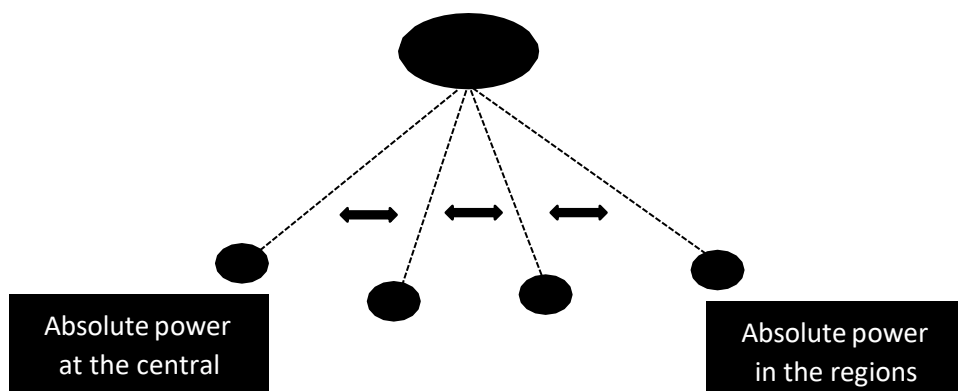
Confederations, federalism, decentralization and centralism are state forms that govern in different territories, depending on the characteristics, conditions and context of the state construction of the specific geographical space. There is a wide literature on the construction of the state, its functioning and the distribution of power horizontally and vertically. For this topic, see: Acemoglu & Robinson (2019); Hobbes (1651/1982); Tilly (1990); Locke (1690/1963); Montesquieu (1748/1989); Alesina & Spolaore (2003); Vela (2016); Weber (translated and edited with an introduction by Gerth and Mills, 2009).

Likewise, in the literature on fiscal federalism there are documents by thinkers concerned with the optimal design of decentralization: the first generation, Tiebout (1956), Musgrave (1959) and Oates (1972) and; the second-generation Prud'homme (1995), Bardhan and Mookherjee (2006), Kyriacou, Muinelo and Roca (2015), Martínez-Vázquez, Lago-Peñas and Sachi (2017), among others. However, the literature is scarce when trying to explain the reasons for the levels of decentralization in a territory and the movement of the state form over time.

This document aims to lay the foundations to explain the levels of decentralization of a territory through the power relations between elites, society and its territorial context. Likewise, considering that the game between the different actors results in a balance that is not static, but dynamic, proving that there is a pendulum movement in the state forms. For this purpose, a general frame of reference is made in this research that explains the phenomena of centralization or decentralization in a territory, which is used in this document to explain the Colombian process.

2. REFERENCE FRAMEWORK TO EXPLAIN THE LEVELS OF DECENTRALIZATION IN A TERRITORY

Figure 1: Illustration of the Pendulum



Source: Own elaboration

The distribution of power in a territory can have a pendulum behavior over time, as illustrated in Figure 1; that is, it oscillates between centralism (associated with an absolute power of the central level that imposes itself on the regional and local levels) and federalism (understood as a greater power of regional and/or local governments), it goes from one side to the other and then makes the opposite movement. For example, a state organization may start with a centralized form and over time power moves to regional governments until it reaches a point where the pendulum begins to swing back into a centralized form, or the opposite may happen.

In a state organization based on centralism, the general competence clause is held by the center and, consequently, the fiscal functions will tend to advance from the center to the periphery. While, in the confederations, the general clause of competence is held by the territories that make up the country; therefore, fiscal functions will tend to go from the periphery to the center, for example, the cases of the Confederation of the USA and the Germany of Bismarck's Constitution of 1871.

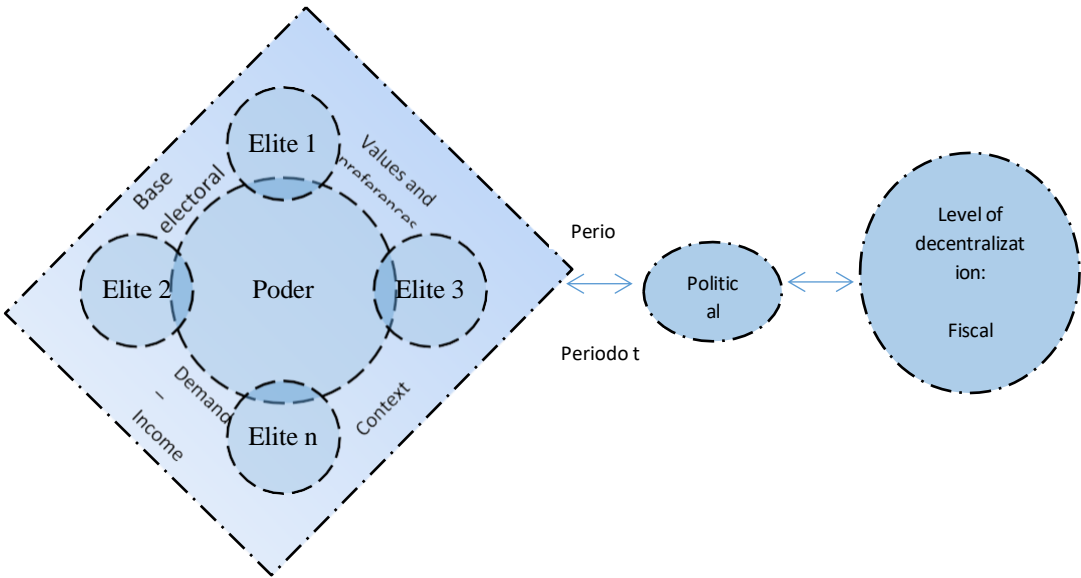
In these pendulum movements, the treasury takes on great importance in the definition of the state form and in the struggle between central, regional and local governments to define who has

the power to establish income, expenditure, and to collect the tax (See: Tilly, 1990; Norbert Elías, 2009; Oscar Rodríguez, 2010). Therefore, the following question arises: on what does the definition of the structure of fiscal decentralization in a given country depend?

The theoretical literature on decentralization focuses on regulatory design and warns of the risks that territories may entail, depending on their context; however, there are no explanations to understand the processes that lead to the different degrees of decentralization or centralization in a given country. Therefore, based on what Russell (1938) describes, it is understood that the state form, the distribution of functions and fiscal institutions are a dynamic social process that can be explained through power relations and their context.

Thus, this research aims to answer the previous question from the perspective of power relations between elites; The following figure shows the proposed reference framework to explain the levels of decentralization in a given territory.

Figure 2: Frame of reference



Source: Authors.

Figure 2 shows a frame of reference that facilitates the understanding of the cycle of interaction of elites in a context. In a territory there may be "n" number of elites (minorities) and, in contexts where there is a plurality of elites, they may act as rivals or allies (depending on the circumstances); they are motivated by particular interests and try to achieve the greatest possible power, in order to obtain the greatest benefit and define the institutions in their favor.

Society demands solutions and policies depending on its values and preferences, which in turn depend on education, income levels, standard of living, economic inequality, and the weak or

strong presence of democratic institutions in the territory analyzed. It is likely that citizens will allow themselves to be instrumentalized by the elites in a difficult economic context because it represents a low level of patience of society for quality institutions and investments. This makes up the context in which the elites act for the attainment of power. The interactions between elites and, between elites and society, generate a dynamic political equilibrium that determines the level of decentralization in a country and, in turn, fiscal institutions.

The political equilibrium is not static, so it can generate a different degree of decentralization or centralization at a different time. This process determines the level of decentralization of a territory in a given time, which can be optimal or non-optimal. In the same sense, the political balances of a country can imply a pendulum behavior of the state and fiscal structure, that is, these can go from one side to the other (from centralism to federalism or from federalism to centralism), depending on the point at which it begins and, later on, tries to return to later return with the same tendency.

3. CONTEXT OF THE COLOMBIAN CASE

In the Colombian context, it is necessary to consider that the elites tied to political power can have regional or central extraction and, consequently, represent very diverse interests when it comes to establishing fiscal institutions. Negotiations can be clientelistic, with clientelism being presented as a bargaining chip among the elites. As a result of these negotiations, the reforms and counter-reforms that delimit the degree of decentralization or fiscal centralization of the country are defined.

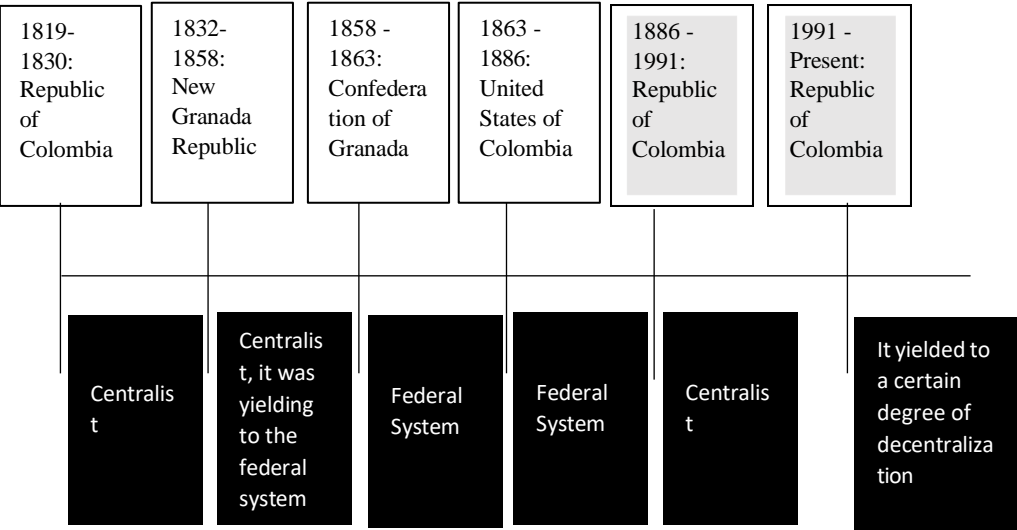
Clientelism is defined by Leal & Dávila (1990/2010) as the private appropriation of official resources for political and private purposes, in other words, clientelism refers to the instrumentalization of power to obtain electoral and personal advantages. One of the manifestations of this phenomenon occurs in the scenarios of the Congress of the Republic, where clientelism is practiced in exchange for passing the appropriate legislative agendas to the executive. Another scenario is the elections, where the central elites negotiate with the regional elites by vote, because the regional elites have a clientelized electoral base.

Likewise, it is considered that there is a clientelized electoral base that has lasted over time, facilitated by the weakness of democracy and economic inequality. This clientelized electoral base are the voters who are part of the clientelistic structures of the elite, that is, those who are exchanged their vote for a favor, money, bureaucratic position, convenience, among others, and not for ideas or programs. It is a useful context for elites in order to obtain, remain or achieve greater power. It is assumed that the regional elites in Colombia would be the ones with the most clientelized electoral base, due to their proximity to the territory and their greater possibilities of negotiating with the base. This does not mean that the central elites do not also have access to the clientelized electoral base. The central elites also hold a negotiation with the regional elites of an institutional and clientelistic type, using clientelism as a bargaining chip.

3.1 EVOLUTION OF THE STATE ORGANIZATION THROUGH THE POLITICAL CONSTITUTIONS PROMULGATED.

When analyzing state organizations in Colombia and their promulgated constitutions, it is found that the political equilibrium between elites is not static, but that there are several political equilibria over time that depend on the power relations between elites and the context in which they interact, which supports the pendulum argument. that is, over time the state and fiscal structures go from one side to the other (from centralism to federalism or from federalism to centralism), then they try to return to return later with the same tendency. As presented in the following figure.

Figure 3: Evolution of the state organization through the political constitutions promulgated.



Source: own elaboration

The Constitution of 1886 governed the Colombian territory for more than a century, establishing clearly centralist institutions, some of them were modified with the Constitution of 1991 when the pendulum seems to be swinging again towards decentralization. However, the Political Constitution of 1991 was reformed in the area of fiscal decentralization, showing indications of a new trend towards the centralization of the treasury, that is, with the counter-reform of 2001 (modified articles 356 and 357 of the Constitution) and that of 2007 (again modified articles 356 and 357), these counter-reforms sought to cut intergovernmental transfers and centralize decision-making power in the matter.

4. RESULTS OF THE COLOMBIAN CASE

Several historical moments in the process of the Colombian territorial model were identified. The first of these were the events that occurred during the nineteenth century, a time when several constitutions were promulgated that evidenced the swing of the pendulum in the Colombian territorial model. The second was the legacy of the Constitution of 1886 that defined a centralist structure, which remained for almost the entire twentieth century.

The third moment was the popular election of mayors in 1986, with the events that preceded its approval. The fourth took place in the convocation of the National Constituent Assembly and the promulgation of the Political Constitution of 1991, which made that period of time the peak of political and fiscal decentralization in Colombia during the twentieth century and so far in the twenty-first century. Finally, the constitutional reforms that were approved in the area of territorial finance, such as Legislative Act 01 of 2001 and Legislative Act 04 of 2007.

4.1 NINETEENTH CENTURY

Central and regional elites were involved in power struggles during the nineteenth century, where they sought to establish the governmental structure and the fiscal structure. As a result of this tension, several constitutions were promulgated during this period, with the 1863 constitution representing the pinnacle of federalism and, of a territorially strengthened fiscal structure, that is, a victory of the regional elites over the centralizing elites was evident.

These liberal and federal institutions were not consolidated over time and the pendulum began to swing back to centralism. With the victory of the conservative regeneration, a hegemony was established that began with the Constitution of 1886, which reproduced centralist, authoritarian and exclusionary values. The movements identified from the state model, during the nineteenth century, confirm the idea of the pendulum, where state and fiscal structures went from centralism to federalism and then returned to centralism and authoritarianism.

Political parties appeared on the scene in the mid-nineteenth century, the minorities that dominated these parties remained in the highest structure of society and instrumentalized these organizations to establish an ideological hegemony in order to access political power, the quality that in the terms of Mosca (1896/1995) and Pareto (1916/1987) kept them at the top of the social structure was the management of sectarianism and polarization (in the same sense as Leal & Dávila, 1990/2010), where it was based on the exclusion of the opponent. Leal & Dávila (1990/2010) indicate that the two-party system (Liberal and Conservative) has been the basis for the subsequent establishment of clientelism, supported by a context of backwardness that made it possible for it to take greater root.

Colombian society was managed oligarchically (related to the postulates of Michels, 1915/2008) by representatives of privileged minorities, where the latifundistas faced a vast peasant economy. The political regime organized as a two-party system reflected the polarization of an elitist society, which gave rise to the so-called "natural leaderships" of the parties, in other words, the dominant elites in the terms of Mosca (1896/1995), who were authorities of the collectives who managed to maintain the discipline of their parties through the practice of sectarianism.

4.2 FIRST HALF OF THE TWENTIETH CENTURY

The power of the elites and authoritarianism concealed political factionalism, social diversity and the absence of regional integration. They had a bipartisan authoritarian organization where presidential candidacies from dominant minorities were nominated. The dynamic was based on the achievement of state power; once obtained by one party it was a matter of maintaining control, while the other party established itself as an opponent without bureaucratic participation (the select elite of non-government in Pareto's terms, 1916/1987), they waited for a crisis opportunity to reverse the position (Leal & Dávila, 1990/2010).

The twentieth century began with centralized political and fiscal power, evident in the institutions established with the Constitution of 1886, centralization that was consolidated with the conservative hegemony that lasted until 1930 and, although the liberals came to power since 1930, it was decided to maintain centralism, in this way they did not divide the power obtained. Authoritarianism, inequality, exclusion, and centralized government structure remained in place throughout the first half of the century. With an economic structure devastated in its beginnings, due to the Thousand Days War, among other situations. After the conservative hegemony, the Liberal Party took power from 1930 to 1946, when they again lost control of the State to the Conservatives, who governed until 1953.

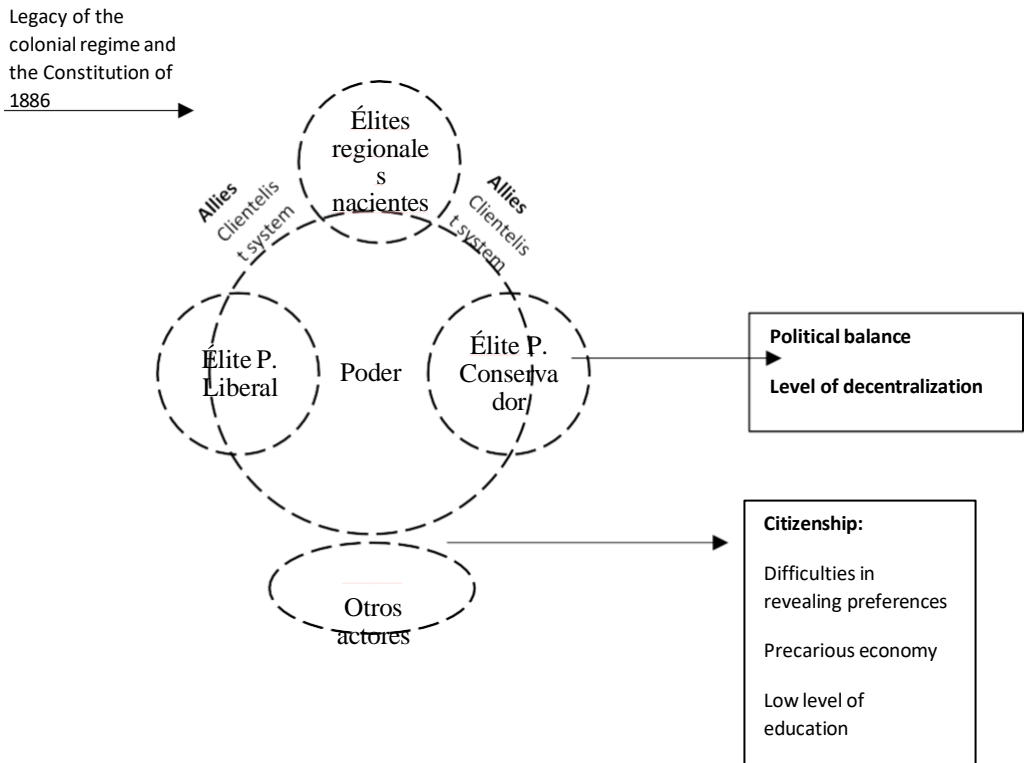
Political parties were used by elites as tools to gain and maintain power, they were entrenched and instrumentalized the power of the state in order to guarantee the interests of dominant minorities. They proved to be rivals and maintained themselves through sectarianism and repression, resorting to war at times, facts that reproduced social exclusion and inequality.

The governmental and fiscal structure was not reformed, but remained centralized and functional to the will of the ruling elites. This structure had a precarious behavior at the beginning of the century, it depended on indirect taxes on foreign trade, taxes that were hit by international events such as the First and Second World Wars. Later, the idea of establishing a tax structure based on a higher proportion of direct taxes than indirect taxes was defended.

4.3 Second half of the twentieth century and popular election of mayors

The events that occurred in the second half of the twentieth century were a transition to the first popular election of mayors. The Legislative Act that allows local authorities to be elected by popular vote, was the most important norm of decentralization in Colombia from 1886 to the eighties in the twentieth century, because it represents an important step towards democratization and political decentralization with great implications for the territorial treasury; Therefore, from the eighties onwards, it seems that the pendulum begins to swing towards decentralization. The following figure shows a representation of the Colombian process since the mid-twentieth century.

Figure 4: representation of the Colombian process since the mid-twentieth century



Source: Own elaboration

Figure 4 shows that, in the mid-twentieth century, Colombia had a centralized state with elite privileges, inherited from the colonial regime and the 1886 Constitution, which retarded economic growth and institutional development. As the elites were in control, they sought to keep society instrumentalized, accompanied by a precarious economy and low levels of education that were experienced at that time, which contributed to the lack of opportunities and the perpetuation of the domination of the elites, added to this, the little territorial presence of the State that made it difficult to reveal preferences in the regions.

Figure 4 shows the political parties (Liberals and Conservatives) that appeared from the mid-nineteenth century, where the so-called natural chiefdoms were born, which were the elites that dominated the centralist political order established with the Constitution of 1886. The instrument to maintain or achieve power was through sectarianism, where the other party was excluded; The ruling party was looking for mechanisms to maintain power, while the opposition party was waiting for a crisis to delegitimize the government and take power.

Later, society had greater demands for state presence and intervention when different events concur, for example: the coffee bonanza, the construction of road and rail infrastructure,

industrialization and urbanization; however, the State remained centralized and without a presence in the regions, which deepened regional inequalities and made it difficult to reveal society's preferences.

Elites, in order to maintain power, absorbed emerging social organizations through violence and proselytism. As a result of social exclusion and the use of war as a resource to claim rights or to gain power, acts of violence were generated that exploded in the mid-twentieth century with the assassination of presidential candidate Jorge Eliecer Gaitán, which triggered the Bogotazo on April 9, 1948, leaving as a consequence a coup d'état on June 13, 1953 by General Rojas Pinillas to the conservative president in at that time, Laureano Gómez and; later, the guerrilla groups, represented, were consolidated.

With Rojas' aspirations for dictatorship, the elites reacted out of fear of the loss of their status quo, their privileges and the loss of power. As a strategy to regain power by the bipartisanship, the pact was made in the cities of Sitges and Benidorm – Spain between the Conservative representative Laureano Gómez and the Liberal representative Alberto Lleras Camargo, who personified the interests of the dominant traditional elites. It was agreed to establish the National Front that lasted from 1958 to 1974, which consisted of eliminating the conflict between these political parties and taking turns in the presidency of the republic and its bureaucratic positions.

With the National Front, the elites changed the strategy of domination and became allies, in order to continue maintaining the political power that gave them the possibility of continuing to establish the institutions in their favor, they held power, they shared the bureaucratic positions and the resources of the State. The figure also shows the representation of the regional elites that emerged and were strengthened by the new regime (National Front), presenting themselves as fractions of the political parties; Thus, the way in which the national elites achieved and maintained power changed with the passage from sectarianism to clientelism.

This clientelistic system consisted of the satisfaction of the interests of the regional elites by the national elites, to fight or stay in power through bureaucratic positions and state resources. The regional elites were specialists in the accumulation of electoral capital and effective in popular elections, who since then have had a clientelized electoral base that keeps them in the scenarios of power and gives them possibilities of negotiation with the central elites.

The form of relationship between the national and regional elites in the competition for power was within the parties (intra-elite) through clientelism, the distribution of bureaucratic quotas and state resources in exchange for electoral capital, which became effective when electing public corporations; In this way, the status quo was maintained and there was no way of political ascent except through clientelism and bipartisanship. The result of the interactions was a political equilibrium that gave greater advantages to the elites to maintain the centralized and presidential structure of the state; The only state presence that was made in the territories was through clientelism.

As a result of the dynamics in the National Front, where an important role of the regional elites appears to maintain domination, their power relations with the central elites and a certain influence of the international level, there have been indications of fiscal decentralization since 1968, when fiscal decentralization began to be regulated, precariously. It should be noted that

the mayors were appointed by the governors and these in turn by the president of the Republic. These bureaucratic positions were part of the bargaining game between the central and regional elites.

During this period, a system of conditional transfers was created to provide the minimum of goods and services in the health and primary education sectors; the possibility of tax revenues of their own was opened to the territorial entities; a system of unconditional transfers was created from a participation of sub-national governments in the sales tax; Later, the "fiscal situated" was created, a system of transfers from the central government to the departments.

In the 1970s, recognized unions and social organizations increased at a great pace, and with it the demands for greater state intervention. Citizens were acquiring greater education due to the education programs that began at the end of the fifties, caused by greater urbanization and the need for skilled labor due to the industrialization process. In addition, there was a greater unionization of the working class, especially the official sector, who were protagonists of different mobilizations and demanded state intervention to guarantee their rights.

On the other hand, the civil war that was being experienced in the rural sector showed a critical situation, accompanied by the lack of state presence in several regions of the country. The violence had changed its particularity, it was no longer due to political affiliation, as had been experienced in the period of 1948-1960, but there were several insurgent groups, where the population was persecuted by them and, sometimes, by the army itself, forcing the migration of the population to the cities or to belong to one of the insurgent groups. Social exclusions, the lack of state presence of the state in the territories and the difficulty of configuring a social state of law led to the presence of illegal armed groups with greater strength.

Since the 1970s, the context of conflict has had greater resonance, due to the consolidation of guerrilla groups and the emerging problem of drug trafficking and its capital. The eighties arrived, facilitating the emergence of right-wing paramilitary groups, allied with drug trafficking. Society had some flashes in its mobilization and demanded greater state presence and intervention, peace and democratization.

Due to social phenomena of that time, such as violence, industrialization and urbanization, among others, the demands of society for peace and democratization began to be felt. As a result of these events, together with the process of negotiation between the guerrillas and the Colombian State and the strategies of members of the elites to remain in power, the Congress of the Republic approved the popular election of mayors. An act that meant the beginning of the pendulum's movement towards a decentralizing process that intensified with the 1991 Constitution.

It was with Legislative Act 01 of 1986 that a significant advance was made in terms of political decentralization with the popular election of mayors. Before this norm, mayors were appointed by governors, being part of the bureaucratic structure negotiated between the elites. In turn, the governors were appointed by the President of the Republic. In other words, decisions continued to be made from the center, despite the fact that since 1968 a regular and precarious fiscal decentralization began.

The reference model used in this research explains the process that led to the popular election of mayors. This materialized due to three factors: first, due to the demands of citizens for peace, democratization, state presence and social inclusion; This caused a minimal change in the central elites, who in search of staying in power and winning voters, agreed with peace, democratization and the presence of the state, they considered that the first element to begin to satisfy these demands was with the popular election of mayors; third, the government's peace processes with the guerrillas resulted in the commitment to implement the popular election of mayors.

4.4 CONSTITUENT ASSEMBLY OF 1991

The constituent assembly was provoked by different events, among them the assassination of several presidential candidates at the end of the eighties. In particular, the assassination of presidential candidate Luis Carlos Galán in 1989 provoked demonstrations and movements in society, such as the "seventh ballot" student movement, movements that demanded a constituent assembly, which was put on the public agenda and ended up being called for 1990.

The National Constituent Assembly (ANC) was made up of various political and social sectors, there were members of the traditional parties, demobilized guerrilla groups and different social movements. In the Constituent Assembly, tensions could be denoted in the proposals for the territorial model, autonomy and decentralization. As a result of these tensions, there is a political balance that defined the regulations approved in the Political Constitution (CP) of 1991.

In the CP there are decentralizing elements, representing the peak moment of decentralization in Colombia since the Constitution of 1886 was promulgated. In this the popular election of mayors was ratified; the popular election of governors was established; mechanisms for citizen participation were given; a percentage participation of the territorial entities in the Current Income of the Nation (ICN) was instituted; rights of participation and compensation are given to territorial entities for the exploitation of mining and energy resources; regulation was allowed for territorial association schemes such as metropolitan areas, provinces and regions; among other decentralizing regulations.

The COP included the principle of autonomy and decentralization of territorial entities, which implies that relations between the central government and sub-national governments should not have a hierarchical relationship. However, before the principle of autonomy, the unitary principle was included, which limited territorial autonomy and became the foundation of the state structure. The Constitutional Court has upheld a hierarchical relationship of the two principles, where the unitary State is privileged over territorial autonomy.

The CP did not define the notions of autonomy and the Constitutional Court has not been clear in the definition of decentralization and autonomy either, which made it difficult for this institution to defend decentralization and autonomy in the face of attempts at centralizing counter-reform. Several constitutional articles refer to the law, giving powers to the Congress of the Republic to develop and set limits on autonomy. The competence regime is also not clearly defined in the CP. These events did not fully guarantee the territorial autonomy and fiscal decentralization that had been achieved in the 1991 Constitution itself.

The above results allowed a series of norms, laws and constitutional reforms to seek to put limits on territorial autonomy and centralize the treasury, in terms of intergovernmental transfers the following reforms were made: Legislative Act 01 of 2001 that modified constitutional articles 356 and 357 of the CP of 1991; Legislative Act 04 of 2007, which again amends articles 356 and 357; and Legislative Act 05 of 2011 that modified articles 360 and 361.

In conclusion, the pendulum swung towards decentralization with the reforms in the 1980s and with the decentralization promulgated in the Political Constitution of 1991. However, the Constitution did not establish elements of rigidity for the modification of decentralization. This led to the pendulum beginning to swing back towards centralization, at least in fiscal matters. These processes are explained by the dynamics exposed in the frame of reference, by the interaction of elites in the territorial context and by the demands, values and preferences of society.

4.5 CONSTITUTIONAL COUNTER-REFORMS, THE PENDULUM SWINGING BACK TO CENTRALISM.

The constitutional reforms that sought centralization again depended on negotiations between the elites, with the Congress of the Republic as the main stage. The following table provides an analysis of the constitutional regulations and the reforms of the financial muscle of decentralization, in order to specifically identify the reforms carried out.

Table 1: Constitution and reforms of the financial muscle of decentralization in Colombia (1991 – 2010)

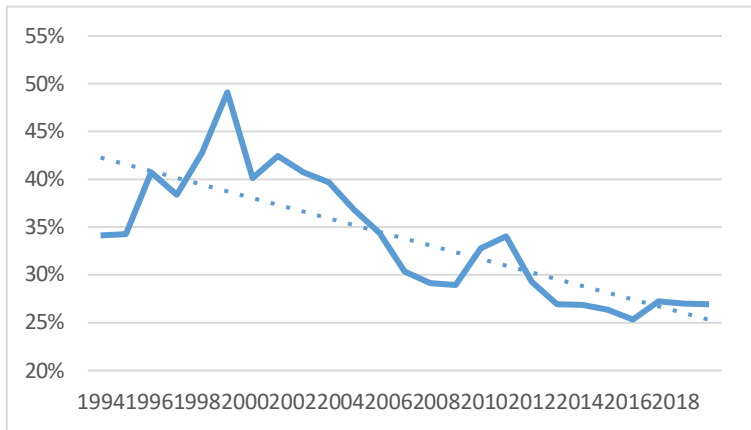
	Political Constitution of 1991 (Arts. 356 and 357)	Legislative Act 01 of 2001	Legislative Act 04 of 2007
Transfer system	Of the systems: 1. Tax location: Intended for departments, capital districts and special districts (Cartagena and Santa Marta). 2. Municipal participations: Intended for municipalities	The two systems are unified and the General System of Participations (SGP) is created. Intended for departments and municipalities.	General System of Participations (SGP) aimed at departments and municipalities.
Amount Calculation and Growth	1. Tax location: Percentage of NCIs. It leaves it to the law to establish the percentage; however, it indicates that it will increase annually 2. Municipal participations: Participation would increase year by year from 14% in 1993 to 22% at least in 2002.	Transfers are decoupled from NCIs. The amount of the GSP will be increased annually by the average of the percentage variation of the previous four years of the NCIs. However, a different growth is approved as a transitory period between 2002 and 2008. 2002-2005: inflation + 2% 2006-2008: inflation + 2.5%	The decoupling of transfers from NCIs continues. The amount of the GSP will be increased annually by the average of the percentage variation of the previous four years of the NCIs. However, other transitory articles are approved for the years 2008-2016. 2008-2009: inflation +4%; 2010: inflation+3.5% 2011-2016: inflation+3%

Distribution criteria	<p>1. Tax Location: 15% in equal parts, the rest in proportion to the number of current and potential users of the assigned services, taking into account the weighted tax reinforcement and administrative efficiency.</p> <p>2. Participation of municipalities: 70% by number of inhabitants with NBI and the relative poverty level of the municipal population; the rest taking into account the total population, fiscal and administrative efficiency and progress in quality of life, assigning an exclusive percentage to municipalities with less than 50,000 inhabitants</p>	<p>Sectors: Education, Health & General Purpose</p> <p>For Education and Health:</p> <ul style="list-style-type: none"> - Population served and to be served - Distribution between urban and rural population - Administrative and fiscal efficiency - Equity <p>For other sectors:</p> <ul style="list-style-type: none"> - Population - Distribution between urban and rural population - Administrative and fiscal efficiency - Relative poverty 	<p>Sectors: Education, health, drinking water and basic sanitation and, general purpose</p> <ul style="list-style-type: none"> - Population served and to be served - Distribution between urban and rural population - Administrative and fiscal efficiency - Equity <p>In the distribution by territorial entity, priority will be given to factors that favor the poor population.</p>
Priority assignment in	First, territorial allocation (departments and municipalities), then sectoral allocation (education and health)	Sectoral allocation (education, health and others). Second, territorial allocation (departments and municipalities)	Sectoral allocation (education, health and others). Second, territorial allocation (departments and municipalities)
Follow-up and monitoring	It does not explicitly contemplate follow-up, control and monitoring.	It does not explicitly contemplate follow-up, control and monitoring.	The National Government is empowered to define a strategy for monitoring and following up on the expenditure of the territorial entities financed by SGP. The NG can define which resources are at risk.
Limits on fiscal autonomy with resources transferred from the GSP that are not specifically earmarked	There are no implied restrictions	Municipalities in the fourth, fifth and sixth categories may only freely allocate up to 28% of the resources of the GSP for investment and other expenses inherent to the operation of the municipal administration, except for the resources allocated to education and health	Municipalities in the fourth, fifth and sixth categories may only freely allocate for investment and other expenses inherent to the operation of the municipal administration, up to 42% of the resources of the General Purpose item of the GSP, after deducting 17% of the same item that will be distributed in municipalities with a population of less than 25000 inhabitants

Source: Authors' elaboration with information on the respective regulations

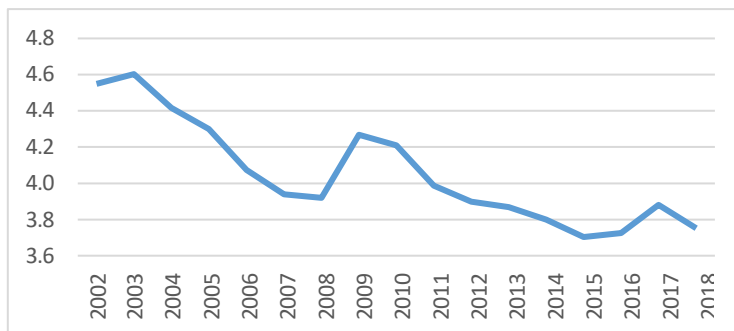
Likewise, the following graphs show the cut in regional transfers with the reforms enacted.

Graph 1: Percentage of regional transfers over the nation's current income



Source: Authors' elaboration with data from the Ministry of Finance

Figure 2: Regional transfers as a percentage of GDP



Source: Authors' elaboration with data from the Ministry of Finance

The evolution of transfers evidenced in graphs 1 and 2 confirms that the reforms were promoted to centralize fiscal resources again, demonstrating that the pendulum is once again returning to a centralizing trend with the laws enacted since the late 90s and with the constitutional counter-reforms.

4.6 COUNTER-REFORM OF 2001 – ANALYSIS OF THE INFORMATION PRESENTED IN THE CONGRESSIONAL GAZETTES.

The diagram presented explains the reasons why a constitutional reform that cuts territorial transfers is approved smoothly and quickly by a congress that is made up mostly of senators and representatives who have their electorate in the region. The 2001 reform sought to reduce transfers to territorial governments, despite the fact that most of these resources were conditional and allocated to sectors such as education and health. With this counter-reform, the central elite

once again managed to centralize fiscal resources, which shows that the pendulum is beginning to swing back towards centralization.

At the time that the process of the counter-reform was carried out, there was a plurality of elites, in this case, the elite had central and regional extraction, with a presence in the Congress of the Republic, they acted as allies before the approved project, without losing sight of the fact that their motivation was guided by particular interests; Therefore, it is intuited that the alliance is due to clientelistic power relations and corruption among the elites. It should be noted that the phenomenon of clientelism is one of the most characteristic features of Colombian political practice. This Colombian social practice is expressed in two dimensions, the national and the regional.

Some specific facts that were identified in the congressional gazettes give indications of the above statement, such as: the papers that were ready a few hours after the project was presented; a minority of Congress indicated that the same executive drafted the reports in order to speed up the project; immediate meetings with the President of the Republic; the affirmation of a minority of Congress that the resources of royalties were used as a bargaining chip for the approval of the government's legislative projects, among others.

The main field of power of the central elite is in the executive and they have a great presence in the legislative through the characteristic power relations with their allies, regional elites that have a presence in the Congress of the Republic. In this scenario, the National Government seeks to have its legislative agenda approved and the elites that have a presence in Congress intend to capture bureaucracy, temporary public resources, personal favors and tools to maintain their clientelized electoral base. A dynamic that is not alien to the process of recentralization of territorial resources for the years 2000 and 2001, which led to the Legislative Act of 2001.

The Minister of Finance, Juan Manuel Santos, and some speakers who were pushing for the approval of the project, in order to be more convincing, indicated that the project had the endorsement of the representatives of the Federation of Municipalities and the Departments; however, this seemed like a sophistry because in the First Commission of the Chamber a letter was known where the president of the Federation of Municipalities did not give his consent to these statements. This undermined the credibility of the discourse that the project was concerted and that it had the endorsement of these organizations. The minister's response was that the Federation was uncomfortable with the elimination of the articles of the extension of periods, which was decided to be removed because another political reform that included it was already underway.

In the project presented by the National Government, several texts were used as a kind of decoy, such as allowing a small percentage (15% of the remaining resources, after deducting those of education and health) of the transfers not to be conditioned for the municipalities of the 4th, 5th and 6th category; additionally, the extension of the terms of local and departmental authorities was included in the proposal (although this article was suppressed in the First Commission of the Senate). This in order to win the support of some local entities and generate pressure in Congress.

The process of the 2001 counter-reform occurred in a context of violence and kidnapping in Colombia, where the congressmen themselves were suffering from this scourge. In addition, the economic context continued to be difficult, which facilitated the instrumentalization of citizens in favor of those in power. Leading to a clientelized base functional to the elites to remain in the scenarios of power, giving them the ability to negotiate in the pursuit of their own interests. This is evident in the specific examples that we try to show in the next chapter.

5. CONCLUSIONS

In the course of this research it was shown that there is a pendulum oscillation, at times it goes towards a centralized model and at other times it seems that it is heading towards decentralization. Proof of this can be seen that during the nineteenth century Colombia had several state models between centralism and federalism; then, with the Constitution of 1886, a centralist regime was established; later, in the eighties, a new trend towards decentralization began and; Finally, the pendulum swings back towards fiscal centralization with constitutional reforms.

It was observed that the oscillation of the territorial model depends on the power relations between regional and central elites. It was also identified that the negotiations between elites hardly appear in official sources, but they do explain the institutional results and allow us to understand the process of approval of the cuts to the territorial treasury, giving coherence to a situation that at first glance seems to be incoherent, because the formal scenario is the Congress of the Republic where constitutional reforms are approved and is formed. mostly, precisely by regional elites.

The research analyzed the evolution of the elites and the Colombian territorial model during the nineteenth century and part of the twentieth century, based on the analysis of the normativity and with information from secondary sources. Later, two primary sources were used, firstly, the debates that took place among these elites in institutional spheres – the Constituent Assembly of 1991 and the Congress of the Republic between 2000 and 2001 – and, secondly, the result obtained in these institutional debates, that is, the Constitution approved in 1991 and the constitutional reform approved in 2001.

Although in the analysis of the Constituent Assembly and in the 2001 counter-reform, the debates that took place outside the institutional spheres were not considered, an interpretation from the framework of reference exposed allowed us to deduce that these debates, negotiations and agreements were obvious and that they were the foundation of the institutions that were approved. In this sense, it is highlighted that in this work a favorable frame of reference was developed to study the social dynamics promoted by the national and regional elites that define the levels of decentralization of the territory, a framework that could be used to explain decentralization in the Colombian case.

Finally, the reference scheme developed could also shed light on the levels of decentralization experienced in different countries, nuanced by the characteristics of the territories; that is, the

context, the level of empowerment of society, the balance of power, the behavior of the elites, among other factors, must be taken into account.

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