

# The Role of Locality in Public Service Management of Ecuador

## A Sense of Competitive Cities<sup>1</sup>

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*The Ecuadorian Government with the aim of planning and making decisions in real time should include the perspective of a new city model in function of the new social needs and the construction of an image for its own country and the international arena. Foreign Direct Investment (FDI) should be a fundamental support for these to provide jobs for youths and the ability to generate new businesses. Nowadays, there are public decision-making processes to influence public policy. The author seeks to reflect on local governments and their current perspective regarding the provision of services. Indeed, public management plays a fundamental role in the development of different programs in the field of the digitalisation of services to generate viable solutions and try to improve the quality of life of its inhabitants. Methodology: secondary sources were used for content analysis based on the overview of relevant literature written in English and Spanish.*

**Keywords:** *locality, decentralisation, public administration, governance, Ecuador*

## Introduction

While it is true that there is no model of good governance, it is also necessary to emphasise the measurement of results for ideological reasons. Governance is ultimately the way of regularising the interactions between the actors in society that can be democratic or authoritarian. The analysis of the public policies takes the set of plans as an object of study shaped for: the collective aims that the State considers to be desirable or necessary (including the process of definition and formation of these), the means and actions used, total or partially, for an institution or governmental organisation, and the results of these actions, including so much the consequences wished as the unforeseen ones.<sup>3</sup>

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<sup>3</sup> ROTH DEUBEL 2007.

Promoting good governance goes beyond the local government and includes the private sector and society. There are two moments: the rule of law, so much as the Constitutional state from which it emanates is subject to the rights of individuals; and the second being the recognition of several normative systems different from the law produced by the national assembly, consequently multiplying the sources of law. In this case, Public–Private Partnerships is in force in Ecuador since late 2015.<sup>4</sup>

The political organisation of Ecuador is a republican regime. In Ecuador the participatory democratic system is the foundation of its political authority. The Organic Code on Territorial Organization and Decentralization (COOTAD) is the maximum norm of the Decentralized Autonomous Governments (GAD) in Ecuador and determines that local government is ruled by the principles of unity, solidarity, co-responsibility, subsidiarity, complementarity, interterritorial equity, citizen participation and sustainability of development. During the administrative management, the elected local authority must provide for both the fulfillment of the action plan of its electoral campaign, as well as the Territorial Development and Planning Plan (PDOT) in the main planning instruments, which contribute to the monitoring of compliance with the objectives of public management. A management period begins with the inaugural session of the new authority. It is propitious momentous to carry out a governability pact from public institutions and a governance pact that includes the participation of citizens in local development. To deepen knowledge about political legitimacy and good governance in the local governments, this report includes a case single-country study about the general effect of both political governance and legitimacy in international treaties as predictors of support governance in Ecuador. In all aspects of public and private life, “branding” is a significant effort that signifies spending money on urban marketing strategies to be crucial in regional management and development. Global statistics clearly show that countries spend money in public funds on branding strategies to attract FDI.

In this context, the governance system at the external level is fostering a culture of transparency based on criteria of co-responsibility, institutional strengthening and participation. However, this article considers necessary and fundamental to hold a wide-ranging debate on this question, assessing the positive and negative aspects of the possible adoption of new management systems.

## Decentralisation

In the Socialism of the 21<sup>st</sup> century context, decentralisation in Latin America could be seen as an alternative to deal with the inefficiency of local governments. Indeed, it is a political speech that highlights the desire to eliminate the concentration of power in large cities and thus a lack of services to citizens in locations where inhabitants are abandoned. On this subject, the Ecuadorian author Fernando Carrión M.<sup>5</sup> states that the reader should

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<sup>4</sup> In Ecuador, Decree N° 582 on Public–Private Partnership (Asociación Público Privada) of 2015 is the most important document for future investors.

<sup>5</sup> CARRIÓN 2007: 36–52.

not be confused and must be experienced with the concept of decentralisation as a holistic process to prevent further centralisation.<sup>6</sup>

## Services to citizens

Local governments in Ecuador work under the Organic Code of Territorial Organization, Autonomy and Decentralization (COOTAD) and as such the tasks are the provision of services to their constituents. When talking about locality, proximity to the population is a very important consideration to meet the concrete needs. Certainly, prioritising the problems is also an important issue and the seriousness of the impact and damage they involve.<sup>7</sup>

COOTAD establishes the political-administrative organisation of the Ecuadorian State in the territory, the regime of different levels of decentralised autonomous governments and special regimes to guarantee their political, administrative and financial autonomy. The Decentralized Autonomous Governments are the institutions that make up the territorial organisation of the Ecuadorian State and are regulated by the Constitution of the Republic of Ecuador (Articles 238–241). In addition, it develops a mandatory and progressive decentralisation model through the national system of competencies. The institution is responsible for its administration, sources of financing, and the definition of policies and mechanisms to compensate for imbalances in territorial development.

In this context, the decentralised government consists of decentralised institutions that have political, administrative and financial autonomy, and are governed by the principles of solidarity, subsidiarity, equity, interterritorial integration and citizen participation. They are organised as follows: Regional; Provincial; Cantonal and Parish. Within the functions attributed to it by Article 119 of the Organic Code, it “coordinates processes of institutional strengthening and technical support for the exercise of powers to decentralised autonomous governments” and “promotes and monitors compliance with citizen participation mechanisms in the management of decentralised autonomous governments”.

Before going into detail, the following services should be seen as priorities for certain authorities but not others. The services are the following:

- Drinking water, drainage, sewage, treatment and disposal of wastewater
- Public lighting
- Cleaning, collection, transfer, treatment and final disposal of waste
- Markets and supply centres
- Cemeteries
- Flea markets
- Streets, parks and gardens and their equipment
- Public security

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<sup>6</sup> CARRIÓN 2002.

<sup>7</sup> MOON–KENDALL 1993.

Once every four-calendar year, priorities attention are pre-defined and reflected by the new Government Plan presented by the political candidate at the time, and once he or she comes to power, he or she shall put it into practice with the institutional oversight already the case.

These participation formulas where citizens are increasingly having a minimum quantifiable number of participations is a relevant dilemma and it is an issue of access to fundamental services such as health, water, public education, transportation, air management, and technological gap covered by the private sector. Indeed, inorganic growths, social segregation, environmental commitments of water and air, violence and citizen insecurity, institutional difficulties and social gaps are remaining the same.<sup>8</sup>

## The dominant conceptions

Dynamics of decentralisation in local governments<sup>9</sup> is not a strictly technical process; it is rather a field of conflicting and diverse interests that are embodied by specific actors e.g. private actors, public sphere, civil society and different actors. Undeniably, conflict of interest within the political institutions is real and we cannot shrink from our responsibility to combat it, although the political discourse claims the exact opposite in the same speech.

## A sense of competitive cities

There is a process of transformation in the society–state relationship, which is expressed in the approximation of civil society to the municipality through new forms of participation and representation of the population and the granting of more power to the autonomous bodies. Eminently urban service is capable of promoting due to their omnipresent nature in the process of contact with inhabitants' new social subjects such as young people, athletes, women, environmentalists, etc.

So, if the current decentralisation proposal seems to perform adequately, what makes it new today and what are its characteristics and elements of power? The answer could be that sense of competitive cities that comes hand in hand with a hegemonic model imposed by a double trilogy: opening (globalisation), economic restructuring (adjustment) and state reform (privatisation), inscribed within the globalisation/locality dilemma.

Having mentioned some points in detail that give rise to locality around the public service, power, culture and economy. The problem of decentralisation is part of the contradictory movement that our society is experiencing, which is expressed in the processes of globalisation and seen increasing the importance assumed by the local government.

*The first conception* starts from a critique of the state, from a perspective of participation of the “civil society” through the so-called processes of privatisation, market expansion

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<sup>8</sup> BONBRIGHT et al. 1988.

<sup>9</sup> BARRERA GUARDERAS 2007.

and maximisation of consumer sovereignty. That shared discourse that comes from the premise that the public sector is usually ineffective. Furthermore, it is a mechanism for diffusion and generalisation of the market, which breaks up demand and atomises conflicts.

*The second conception* seeks the democratisation of the State, rationalising public administration (emphasising the territorial rather than the sectoral), promoting governance at all levels, sponsoring economic development, generating better national integration (not homogenisation) and expanding the population participation. The most significant case is the Ecuadorian Constitution, which starts with the constitution approved in 2008.

## Competition vs. competitiveness

There is a trend towards increasing powers at the local level, either due to the increase in local demands or due to the transfer of central bodies.

This growth of competences does not make sense if the corresponding body does not have the capacity to assume them;<sup>10</sup> much more in countries as Brazil and Ecuador where the municipalities can do what they see fit, without being obliged to do anything.

Hence, the problem now is, more than the transfer of competences, the corresponding increase in resources because, otherwise, a “perverse” logic would be entered.<sup>11</sup>

The governance system determines legal instruments of accountability, of decision-making. In this respect, the instruments of urban marketing are going to evolve because of the incidences of non-State actors. Social organisations as actors in the dynamics of governance are multiplying according to the communities and can act in union activities or political activities. These include civil society organisations in governance policies under the umbrella of governance. Besides, States have implemented changes to national legislation towards economic development. A manner of achieving legal and policy changes to protect and advance foreign investment.

## Public–Private Partnership

Public–Private Partnership or Asociación Público Privada is experiencing growth in almost all the South American region.<sup>12</sup> In 2015, Decree N° 582 on Public–Private Partnership (Asociación Público Privada) became the most important document for future investors. As a form of privatisation derived from the USA, it was successfully applied in European Union countries,<sup>13</sup> but many authors realised at the same time that it can easily become the hotbed of corruption, so they elaborated sample contracts to it and recommended them to the EU member states to apply.<sup>14</sup>

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<sup>10</sup> ASHWORTH–PAGE 2011: 1–15.

<sup>11</sup> ASHWORTH–KAVARATZIS 2007: 520–531.

<sup>12</sup> REYES-TAGLE et al. 2021.

<sup>13</sup> LACASSE–WALL 1994.

<sup>14</sup> ROSENBLUM 1986.

In Ecuador, in the context of post-Socialism of the 21<sup>st</sup> century, the current government is re-launching neoliberal paradigms that in fact are the introduction of business methods considered possible by the New Public Management. The technique of the performance of public tasks<sup>15</sup> is “contracting out”, i.e. “public–private partnership” (PPP).<sup>16</sup>

New Public Management considers the implementation of economic and other public goals to be the most successful using management techniques. These include the decentralisation of decision-making mechanisms, planning, analysis, feedback and the application of new management principles. These management techniques have always been widely used by businesses and are considered by many to be applicable to the operation of public administrations.

## Setting limits

Resistance to change, insofar as it is presented as a cultural and administrative obstacle for people, social actors and institutions that are breaking with inertial processes in which they are immersed.<sup>17</sup> In fact, centralism, as a social relationship that has its local and national support bases, opposes to decentralisation to the extent that its main actors lose the privileges it gives them. So, central government justifies its attitude by the low capacity of local entities to assume the new significant ranges of powers. Inter alia, the scattering of resources does not allow development, and the difficulty of controlling corruption.

## A social and urban analysis approach from governance

There is a problem of provision, administration and management of public services. For example, social disintegration is a scenario where neighbourhoods with high coverage versus marginal influence itself on the international and national political systems that establish levels of governance. International organisations spread preponderant normative criteria of good governance from a neoliberal approach to regulationist governance that have become a central concept used by designer politicians and authorities at the local, national, regional and global level, and by social sciences, too.<sup>18</sup>

In this respect, the instruments of the decentralisation process are going to evolve as a result of the incidence of non-State actors or private institutions. Social organisations as actors in the dynamics of governance are multiplying according to the communities, and can act in union activities or political activities. These include civil society organisations in governance policies.

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<sup>15</sup> Banco Interamericano de Desarrollo s. a.

<sup>16</sup> MULREANY–DEVLIN 1998.

<sup>17</sup> ASHWORTH–VOOGD 1990.

<sup>18</sup> WAYLEN 2008: 114–135.

However, the emergence of the Constitutional State occurred with the rupture of the sense of sovereignty, in which the State ceased from being politically “everything” to simply becoming a “part” of more comprehensive political systems (the rule of law).

Although its political reality could no longer be recognised as a functioning political reality, since the late twentieth century, there have been vigorous internal and external corrosive forces that weakened the sense of sovereignty of the rule of law such as: the internal political and social pluralism, which opposes to the idea of sovereignty and subordination, the formation of an alternative and competing power with the State.

Furthermore, operating in the political, economic, cultural and religious fields, the progressive institutionalisation, promoted sometimes by the States themselves, of “contexts” that integrate its power and the supranational dimensions, removing them this way to the availability of the particular States, and the attribution of rights to individuals, who can assert them before international jurisdictions against States to which they belong.<sup>19</sup>

An additional element inside the configuration of the State that Zagrebelsky raises is the concept of the Constitutional state as a uni-directional value of the State development organisation. The typical form of the State in our century is presented often as a particular version of the Constitutional state where the general sense of the liberal State of law consists of the conditioning of the authority of the State to the freedom of society, within the framework of the reciprocal balance established by the law.

Nevertheless, the Constitutional law makes way to the Constitution and becomes itself the object of measurement. The outlook of the State towards a democratic pluralist and participative construction of social group is given depending on the “analysis of the public policies” orientated to perceiving the State with few consecration or reverence.<sup>20</sup> This analysis does not imply trying to reduce the State to a common and current organisation; nevertheless, it thinks that the State and its institutions shall be analysed like “organizations across which the public agents (chosen or administrative officers) chase goals that do not exclusively answer social demands and, simultaneously, as configurations of organizations and actions that they structure, shape and influence both the economic processes and the classes or groups of interest”.<sup>21</sup>

The analysis of the public policies takes the set of devices as an object of study shaped for: the collective aims that the State considers being desirable or necessary (including the process of definition and formation of these),<sup>22</sup> the means and actions used, total or partially, for an institution or governmental organisation, and the results of these actions, including so much the consequences wished as the unforeseen ones.<sup>23</sup> Furthermore, Ecuador has stable and successful policies that offer confidence and benefits to foreign investors to attract FDI. Investment Promotion Agencies are the institutions responsible for promoting foreign investment in a specific area. These types of institutions may be governmental, non-profit organisations and even private entities run by boards of directors, which may include government officials and business managers. Therefore, one of the main activities

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<sup>19</sup> ZAGREBELSKY 1995.

<sup>20</sup> CASTELLS 1968: 72–90.

<sup>21</sup> ROTH DEUBEL 2007: 18.

<sup>22</sup> CABRERA-JARA 2019a.

<sup>23</sup> ROTH DEUBEL 2007: 21.

of an Investment Promotion Agency is the positioning of the country in the international market, a task that implies the construction of a favourable image, and with this, the creation of a “Country Brand”.

## Conclusions

The author concludes with some final considerations: Decentralisation is a claim and a viable possibility in today’s Latin America because society has become urbanised, there is great accessibility to the media, illiteracy levels have been reduced, civil society has important and diverse forms of organisation, and the tradition of local governments has been cemented in recent years. This demonstrates that the social actors of decentralisation can enter into a transition process as agents of diffusion of development, as instances of expansion of representation and as ambits of the constitution of multiple identities. Decentralisation is a condition for the modernisation of the Latin American State and society, insofar as it deepens democracy, improves governance and fosters economic development. In other words, the discussion of the modernisation of the State requires incorporating the criteria of territorial democracy and decentralisation, in order to allow a real reform of the articulation of the State and civil society. This supposes some of the following additional reflections: Decentralisation is a long process and not an episodic event – such as the approval of a Law – that has multiple components that are defined in time and space.<sup>24</sup> Decentralisation is a holistic process that does not solve everything, but it has to do with everything: democracy, development and governance. Restricting it to a single scope can lead to situations of greater centralisation.

Concerning to PPPs, there is a limitation for local governments when transferring the execution of public service to private administration. Weaken the public system and validate the concept that the public system is obsolete and in effect neglects the subsidy of social services in a country where social gaps are latent and, poverty constitutes a high index that has worsened by the global crisis due to the Covid-19 pandemic, Putin war and the crisis of organized crimes. In spite of the national scene, achieving the Development Goals is the responsibility of the governments and local governments, the same one that allowed the countries to place in the international agenda the need to work on areas where a major degree of poverty was demonstrated and to give priority and treatment to the construction of a new image for international investors.

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<sup>24</sup> CARNAP 1950.



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