

Chile

Self-rule

INSTITUTIONAL DEPTH AND POLICY SCOPE

Chile has two layers of intermediate governance—the *región* (region) and the *provincia* (province) and 17,574,003 inhabitants according to the 2017 national census. There are currently sixteen *regiones* and fifty-six¹ *provincias*, neither of which has significant political authority. The *Región Metropolitana de Santiago* (Metropolitan Region of Santiago) is one of the fifteen *regiones*. In 2007, *Rapa Nui* (Easter Island) and the *Archipiélago Juan Fernández* (Juan Fernández Archipelago) obtained the constitutional status of “special territories,” but their special statutes are awaiting approval.

Chile reorganized territorial governance in the 1970s. Originally twenty-five *provincias* were the highest tier, *departamentos* (departments) the second tier, and *subdelegaciones* (municipal units) the lowest tier. Currently, *comunas* (communes, whose governments are called *municipalidades*) represent the municipal level, *departamentos* no longer exist, *provincias* have become the second tier, and *regiones* are the first subnational tier below the national government. The change was phased in between 1974 and 1976 (*Decreto Ley 573 and 575*),² though Santiago was not established as the thirteenth *región* until 1980.³ Therefore, while *regiones* enter the dataset in 1976, *provincias* exist for the entire 1950–2010 period. However, *provincias* are the predecessor of *regiones* until 1976 and become second-order units after that year.⁴

The 1925 constitution, which remained in effect until 1980, enshrined the territorial division in provinces, departments, municipal units, and districts (C 1925, Art. 88), but enabling legislation defined many territorial responsibilities. *Provincias* administered a small budget and provincial public works (C 1925, Art. 89), both before and after they became the second intermediate tier (C 1980, Arts. 100–106). Provincial assemblies were foreseen (C 1925, Arts. 97–100) but never implemented and, in 1942, provincial responsibilities were formally and exclusively transferred to the centrally appointed *intendente* (superintendent) (Carrasco Delgado 1997: 325). Between 1950 and 2010 *provincias* never acquired significant competences, neither constitutionally nor through organic law. They therefore score 1 on institutional depth and 0 on policy scope throughout the

¹ The Ñuble region came into effect September 6, 2018 after separating from Biobío (Diario Oficial, September 5, 2017). With the new region came three new provinces: Itata, Punilla, and Diguillín, while the previous Ñuble province disappeared.

² In 1976 a constitutional limit of thirteen *regiones* was in place. Twelve were functioning by the beginning of that year, while Santiago became operative in 1980. The limit was lifted in 2005. In 2007, *Ley 20193* established two additional *regiones*—*Arica-Parinacota* and *Los Ríos*—and created the special territories of *Isla de Pascua* and *Archipiélago Juan Fernández*. The number of *provincias* did not change until 2010 when the merger of *Valparaíso* and *Quillota* gave birth to the *provincia Marga Marga* (*Ley 20368*).

³ The *Subsecretaría de Desarrollo Regional y Administrativo* (Subsecretariat for Regional and Administrative Development, SUBDERE) was created in 1974 within the interior ministry to administer the *regiones* (Eaton 2004b: 221).

⁴ At the end of the 1970s, the average population of the eighty-four *departamentos* was around 134,000.

period.

On September 11, 1973, General Augusto Pinochet and the armed forces removed the democratically elected government of Salvador Allende in a *coup d'état*. While the *junta* declared the constitution of 1925 still in effect, congress was closed and all governing power was concentrated in the national executive. The country was reorganized into new *regiones*, *provincias*, and *municipalidades*, and governance was deconcentrated (Bland 1997). A plebiscite conducted in 1980 by the military regime approved a new constitution, which was expected to come into effect in 1988. In the interim, transitory dispositions retained authority in the hands of the president and the governing *junta*. Elections were abolished and subnational officials appointed by the generals (Eaton 2006: 17). Major deconcentrating reforms took place during the military regime in the second half of the 1970s. These reforms included increased policy responsibilities for municipalities in basic health and education (Kubal 2001) and increased taxation powers (Mardones 2006). Reforms targeted to the intermediate tier were more modest.

The institutions that accompanied the creation of the *regiones* between 1974 and 1976—the regional *intendente* and the *consejos regionales de desarrollo* (regional development councils, COREDES)—were designed to facilitate the deconcentration of central power in economic development (Rehren 1989). The *intendente* and the *consejo* answered to the functionally deconcentrated ministerial branches (*direcciones regionales*, i.e. regional directorates), which began to operate in the mid-1970s and were institutionalized by the 1986 *Ley Orgánica Constitucional de Bases Generales de la Organización del Estado* (Constitutional Organic Law on the General Basis for the Organization of the State, LOCBGAE 18575). The *direcciones regionales* were not general purpose governments and were subordinate to the *secretarías regionales ministeriales* (regional ministerial secretariats, SEREMI) (OECD: Chile 2009).

During the transition to democracy in 1990, the right negotiated limited regional decentralization in exchange for acquiescing to the left's demands for municipal elections (Eaton 2004b). These reforms left the *regiones* subordinate to the *direcciones regionales*, but they did create a moderate check on the appointed *intendente* by introducing indirect elections for the *consejos regionales de desarrollo* (see Representation). The 1991 reform, implemented in 1992 after the return to municipal democracy, does mark a shift in institutional depth, but one that we estimate to be too modest to garner a score of 2.^β In terms of policy scope, regional governments are currently administrative rather than policy making bodies (C 1925, Art. 107; Carrasco Delgado 1997: 322–3). According to the 1991 reform, *regiones* are responsible for the social, cultural, and economic development of their territories (*Ley* 19097, Art. 7). A reform in 2007 gave some authority over regional economic development to the *intendente* and the *consejo* (OECD: Chile 2009), which is reflected in increased policy scope to 1.

In 2009 a constitutional amendment (*Ley* 20390, Art. 5) introduced three changes. First, the members of the *consejos regionales* were to become directly elected. Second, the councils would elect a president chosen from their members, thereby ending the dominance of the appointed *intendente* within the assembly. Third, the *consejos regionales* would become responsible for approving the annual budget of the region. Enabling legislation passed in 2014 (*Ley* 20757). In

November 2013 the first direct elections took place for the *consejos* (Ley 20678). Legislation passed in 2017 will make the regional executive directly elected beginning in 2020.

In 2018 the decentralization agenda--advanced by President Bachelet with the 2014 creation of the Presidential Advisory Commission for Decentralization and Regionalization (*Comisión Asesora Presidencial para la Descentralización y la Regionalización*)—took another step forward with Ley 21074. The legislation strengthens regional institutions and creates mechanisms for the transfer of competences in the areas of territorial organization, economic development, and social and cultural development (Art. 21 bis). The mechanisms are bilateral in nature and allow individual regional governments to solicit transfers directly from the center, with the intention that some will decentralize faster than others. The law enables decentralization under the new regional structure to be implemented with directly elected governors in 2020, so while institutional depth increases with the modifications Ley 21074 makes to the Organic Constitutional Law on Regional Government and Administration of 2005 (Ley 19175), policy scope is expected to shift later.

At the level of metro governance, while Santiago bears the name of Metropolitan Region and encompasses 35 *comunas*, there are no metro governance institutions that meet our criteria for regional government—deconcentrated or otherwise. The high degree of centralization in Chile means that most urban planning challenges are tackled directly by the central administration. Three metro regions—Santiago, Valparaíso, and Concepción—are recognized because of their population size, but they have no governance bodies (Ahrend, Gamper, and Schumann 2014). Transantiago, an integrated urban transport body in the capital, is a sectoral transport authority made up of public and private actors, and is not general purpose.

FISCAL AUTONOMY

Regions and provinces lack the authority to levy taxes (C 1925, Art. 9). The most important tax that funds the *regiones*, *provincias*, and *municipalidades* is the *Impuesto Territorial* (property tax), which is levied by the central government (Yáñez and Letelier 1995; Pribble 2015: 102). Although *Decreto Ley* 19097 of 1991 allows value added taxes with special denominations for regional or municipal development, this fiscal authority does not exist in practice.

Regional governments do not receive automatic revenue sharing from the central government. In fact, congress votes annually on regional transfers, and the central government earmarks most transfers (Eaton 2006: 19). The president proposes regional budgets and congress may reduce, but not increase, the allocations. From democratization to the early 2000s, regional governments' budget for economic development increased only slightly (Waissbluth 2005: 50), but doubled from 2007-17 (Balbontín, Escobar, Seemann 2017: 41). Chilean central governments have had tightly controlled fiscal policy at the subnational level under both dictatorship and democracy.

In 2014 the *consejo* gained authority to amend the regional budget and development proposals coming from the *intendente*. However, while an absolute majority of the *consejo* can override development plans and central development funding distribution, it cannot override an *intendente's* veto of its changes to the budget (Ley 20757, Art. 25), so the *consejos* have yet to attain any fiscal autonomy.

BORROWING AUTONOMY

The central bank is not permitted to lend money to the government, and subnational governments are prohibited from taking on debt (Burki et al. 2000: 380; Daughters and Harper 2007: 249; Singh et al. 2005: 42). Municipalities have some limited borrowing autonomy. In recent years there have been some bailouts of *municipalidades* unable to meet public pension requirements (Letellier 2010).

REPRESENTATION

Under the 1925 constitution, *provincias* were governed by the *intendente*, a representative of the president who served a three-year term. Provincial assemblies were never instituted (Carrasco Delgado 1997: 325).⁵ In 1974, *Decreto Ley 573* introduced a presidentially appointed provincial governor, who answers to the newly created regional *intendente*, as the head of the *provincia* (C 1980, Art. 102).

Under the dictatorship, the military cancelled all elections and intervened directly in municipal governance (Eaton 2006: 6). *Consejos regionales de desarrollo* began to operate in the mid-1970s as advisory bodies to the *intendentes*. They were presided over by the *intendente* and were made up of the provincial governors and representatives of all the military institutions existing in the region (C 1980, Art. 101). The legislation enabling these institutional reforms was not passed until 1987. The law added labor, business, and other government officials to the original group (*Decreto Ley 18605*, Art. 2). The *consejos regionales de desarrollo* were deconcentrated bodies, and do not qualify as autonomous assemblies.

Beginning in 1992, the *consejos regionales* (regional councils) replaced the regional development councils. Until 2013, they were composed of representatives of the directly elected municipal councils, so Chile had a regional representative configuration in which the higher subnational assembly was accountable to the lowest tier, while the government of the second subnational tier was an outpost of the central government.

The reformed *consejos* were directly elected in late 2013 for the 2014-18 term. The sixteenth regional *consejo* (Ñuble) came into effect for the 2018 term. All national presidents since the return to democracy have either expressed support or proposed legislation for direct regional elections, but the proposed bills always died in the senate, so the *intendente* remained an appointed position. The 2014 reform eliminated the vote of the *intendente* within the *consejo* (*Ley 20757*, Art. 24.q). Legislation eliminating the position entirely and replacing it with a directly elected governor finally passed in 2017 (*Ley 20990*) and the first elections will take place in 2020 (*Ley 21073* and *21074*).

⁵ Asambleas provinciales functioned on and off in the early nineteenth century and before the system of intendentes was established under the 1833 constitution.

Shared rule

Regiones and *provincias* do not have access to shared rule. Neither the lower house nor the senate is organized according to the principle of equal territorial representation. Interestingly, under the 1925 constitution, the basis of representation in the senate consisted of groups of provinces (C 1925, Art. 40).⁶ The 1980 constitution foresaw two senators for each *región* and introduced nine *senadores designados* (appointed senators) and several *senadores vitalicios* (senators for life—former national presidents), which would have created a territorial chamber, but these provisions were never enacted. Reforms in 1989 created nineteen circumscriptions with seats assigned based on population (Law 18825) while maintaining a number of *senadores designados* and *vitalicios*. A 2005 constitutional reform eliminated the appointed seats.

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⁶ Ten in 1967.

Self-rule in Chile

Name	Years	Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self Rule
						Assembly	Executive	
Regiones	1976–1991	1	0	0	0	0	0	1
	1992–2006	1	0	0	0	1	0	2
	2007–2013	1	1	0	0	1	0	3
	2014–2017	1	1	0	0	2	0	4
	2018	2	1	0	0	2	0	5
Provincias	1950–2018	1	0	0	0	0	0	1

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