

## Introduction

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During the past decade, Latin America's emerging economic markets have translated into strong financial structures and robust central banking systems. However, transparent and accessible public sector delivery continues to face significant challenges. Critics remain skeptic of Latin American governments' capacity to effectively serve their constituents and advance the public interest. The region's governance is challenged by many factors—internal and external—that weaken its effectiveness. In this context, this Public Organization Review Special Issue highlights five papers that will further our understanding of governance in Latin America democracies. The issue features conceptual exploratory studies and empirical research findings focused on governance in the region. In the papers that follow, each of the author's perspective pieces expound on the current state of governance in Latin America, exploring issues ranging from what constitutes governance in Latin America and its challenges to the role of political interest and how they could hinder public policy.

The first article by Alejandro Rodriguez aims to develop a conceptual definition of Latin American governance. Another purpose of the article is to provide a framework to better understand the other four contributions included in the special issue. Rodriguez discusses dysfunctional governance systems that continue to exist in countries across Latin America and speculate on the factors that have impeded real progress toward the promotion and development of effective, democratic governance. He argues, progress in democracy and governance is hindered due to socioeconomic and political inequalities, political instability, corruption, low public trust in government, a weak rule of law, and low levels of democracy. Second, authors Espinoza, Rabi, Ulloa, and Barozet analyze sub-national public investments in Chile to help understand the effect informal institutions have on regional development and local democracy. As part of this empirical study, the authors interviewed 59 key stakeholders and national officials in an effort to establish the flow of the decision-making process on funds for regional investment. The authors found that innovations introduced by local bureaucrats to cope with the weaknesses of formal

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institutions and their decision-making become informal institutions that complement formal institutions and help formal decision-making achieve expected outcomes. Third, McNulty and Guerra García Picasso discuss political interests and how they play a role in hindering effective public policy reforms in Peru. They say that the decentralization reform in 2001 began with an optimistic outlook for the future of the country. More than fifteen years later, many Peruvians are pessimistic about the state of decentralization and citizen participation around the country. This article explores the root causes of the disillusionment, focusing on the political factors that have contributed to this outcome. The authors also provide an in-depth review of the participatory decentralization process and its legal framework and the evolution of the reform process in Peru. McNulty and Guerra García argue, the future of reform in Peru heavily depends on the commitment of high-level political officials and how they handle major issues such as corruption, human resources and the shortage of institutional capacity. Specifically, they caution policy makers to consider the role that political interests play in limiting the effectiveness of public policy reforms in Latin America. Fourth, Karina Arias contends collaborative networks in the public sector are influenced by shared cultural constructs in Chile. This research is a qualitative case study in which the public network studied is a Chilean association of 18 municipalities. Arias draws on a cognitive approach of culture to study how cultural constructs shape the operation of a public network formed. The case study relies on ethnographic methods of data collection and the findings are derived from a Grounded Theory approach of analysis. Specifically, to explore the influence of shared schemata on network operation, Arias relies on data generated from 48 semi-structured interviews and the systematization of archival documents coming from collaborative network meetings. Her main focus is identifying the kinds of ways in which the role of shared culture either facilitates or constrains patterns of interaction that shape the character of network operations. She aptly describes the challenges of collaborative arrangements and outlines how these networks are shaped by members' assumptions and expectations based on shared schemata. The study reveals that cultural constructs shape network operations by predisposing members to interact in certain functional and nonfunctional ways. The final contribution to this special issue draws a parallel between past and recent governance reforms by Mauricio Olavarria. The author analyzes state reforms and modernization of public administration undertaken in Latin America around the 1920s and those that happened after the 1990s. The article defines both reform concepts, sets the relationships between them and describes the contents that shaped these reforms. After analyzing official documents and academic literature, Olavarria shows that state reforms from early and late century went in opposite directions and that modernizations of those two periods addressed similar public administration problems. That is, the need to have more qualified and competent personnel, the need to improve the quality of work done by public agencies, and the need to bring into public service more strict standards of accountability.

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