

NICARAGUA  
TRIP REPORT  
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### Purpose of Trip

Between September 2 and September 20, 1981, we visited Nicaragua as part of the cooperative effort between the Berkeley Project on Managing Decentralization (PMD), the Instituto Centroamericano de Administración de Empresas (INCAE), and the Secretaría de Asuntos Municipales (SAMU) of the Government of Nicaragua. The specific objectives of our visit were as follows:

- (1) assist Charles Downs, the resident member of the Berkeley team, in bringing to a close the PMD's applied research and consulting activities for SAMU; and to gather additional information on municipal governments to enhance the quality of the final report.
- (2) participate in a three-day seminar on "Decentralization and Local Government," September 11-13, organized by SAMU, the PMD, and INCAE for the heads of the municipal juntas of reconstruction in the main municipalities of Nicaragua's sixteen departments.
- (3) prepare a final report for SAMU and evaluate with INCAE and SAMU counterparts the effectiveness of the seven-month collaborative effort.

Each of these objectives were achieved in the course of our visit. In addition, we also met with Thomas McKee, LAC/DR, USAID Washington, who stopped off in Nicaragua, September 16, to review the PMD's assistance to SAMU.

### Nature of the Final Phase of the Collaborative Effort

The final weeks of the collaborative effort between the PMD, INCAE, and SAMU were devoted primarily to finalizing the research undertaken over the course of the preceding six months, presenting the major findings and conclusions of this research to SAMU officials and representatives from the main municipalities throughout the country, and evaluating the overall effort and the performance of all involved. Kuznetzoff

and Downs divided their time between all of these activities, while Harris and Castells were primarily involved in the seminar and in the evaluation of the overall effort. Numerous meetings were held with the minister and vice minister of SAMU, other SAMU officials, with members of INCAE's staff, municipal officials in León and Masaya, and with staff members of the USAID mission in Managua.

Since neither Harris nor Castells were involved in the field work and their arrival was delayed until the day before the seminar, preparation of the final report for SAMU was undertaken by Downs and Kusnetzoff, leaving Castells and Harris to concentrate their efforts on the seminar and on formal and informal evaluation meetings with the various parties involved in the collaborative effort. Castells also met with the Minister and staff of the Ministry of Housing and Human Settlements, as well as with the Minister and staff of the Ministry for Reconstruction of Managua. Kusnetzoff and/or Downs participated in many of these meetings as well.

#### Observations on Final Phase of Collaborative Effort

The final weeks of the collaborative effort were quite successful, both in terms of productivity and human relations. Not only was a great deal accomplished, but the rapport between all those involved in the effort was very high and a great deal of mutual understanding was achieved on important issues.

From the beginning of the effort in Nicaragua, the Berkeley team placed a great deal of emphasis on establishing good rapport with the staff of SAMU and the municipal officials with whom we had contact. This was considered extremely important both for its own sake and in

order to establish the conditions necessary for carrying out research on the important administrative and political questions having to do with municipal development in Nicaragua. Generally speaking, it is difficult to persuade government officials of the value of such research, as opposed to more direct forms of technical assistance, particularly as concerns questions of a potentially sensitive or controversial nature. However, in this case, the Berkeley team was very successful and the possibilities for continued research, both in the area of municipal development as well as in related areas, are quite good due to the excellent rapport and favorable impression left by the Berkeley team.

The seminar was an unqualified success and proved to be a very appropriate means for winding up our research and consulting effort in Nicaragua. Entitled "National Seminar on Decentralization and Local Government," it was inaugurated by a nationally televised "face-the-nation" (cara al pueblo) meeting between the three members of Nicaragua's national executive council, assisted by members of their cabinet, and the representatives of the main municipalities throughout Nicaragua. This initial three-hour long question-and-answer session gave a great deal of importance to the seminar and also proved to be a fascinating forum in which the interests and concerns of the local level were forcefully communicated to the country's national leadership in a remarkably open and frank fashion. With this meeting as the opening session of the seminar, the stage was set for the presentations and lively discussions that followed.

Castells provided the opening presentation on the "General Context of Municipal Development" and drew heavily upon the experience of recent municipal reform movements in Western Europe, particularly his own

involvement in the recent reforms aimed at democratizing local government in Spain. This presentation stimulated a lively discussion which went beyond the allocated time period. The participants were quick to make comparisons and contrasts with the Nicaraguan situation and indicated that they found the presentation to be directly relevant to their own conditions and concerns.

Harris followed with a broadly comparative presentation on local government and local government reforms in different parts of the world, with particular emphasis on experiences relevant to contemporary Nicaragua. Again, a great deal of discussion was stimulated and it was decided to continue the discussion later in the day. An additional session was therefore added to the program that evening in order to continue the discussion on the relevance of experiences elsewhere to the Nicaraguan case. Due to the requests of the participants, this discussion gave particular attention to the decentralization efforts of socialist and social democratic regimes, their local government systems, and the mechanisms developed by other countries for effectively incorporating popular participation into the governmental process at the local level.

The final day of the seminar was opened with a presentation by Downs and Kusnetzoff on Nicaragua's system of municipal government. This presentation provided a forum for Downs and Kusnetzoff to present the major findings, observations, and recommendations arising out of the field research and organizational analyses which they had carried out over the preceding months. Probably no better forum could have been chosen to present the results of their research, since both the staff of SAMU as well as a good cross-section of the country's municipal officials were present and primed by the previous discussions for a global assessment of their own system and their on-going efforts to

strengthen and improve this system. The presentation was very well received and the discussion that followed revealed that the participants felt that it provided an accurate and helpful analysis of their reality. In particular, the municipal officials felt that it supported many of their own ideas and concerns. Moreover, the minister of SAMU, Rogelio Ramirez, remarked at the end of this session that Downs and Kusnetzoff had provided an "x-ray" of the municipal system and municipal development in Nicaragua. The seminar was closed with a presentation by one of the top officials from the Ministry of Planning who spoke on the government's efforts to decentralize planning.

In general, the seminar helped to clarify the main problems, issues, and alternatives of municipal development in Nicaragua. The extensive and intensive nature of the discussions on such questions as the devolution of financial resources from the central government to the municipal governments, the decentralization of central government activities to the departmental level and their coordination with the actions and interests of the municipal governments through departmental coordinating bodies, the strengthening of inter-municipal cooperation and coordination, the effective incorporation of popular organizations at the local level (such as the unions, Sandinista Committees for Defense, the local branches of the national women's federation, youth groups, etc.) into the planning, control, and implementation of government policies and programs, etc.-- provided the participants with an opportunity to systematize their thinking on these questions and develop their ideas on what courses of action should be followed in dealing with these questions.

Stemming from the close interaction we had with many of the municipal officials at the seminar, we were invited to visit the municipal governments

of León and Masaya (two of the most important municipalities in Nicaragua) to continue the discussion of the issues raised at the seminar with officials in these municipalities. Since this offered an opportunity to obtain feed-back from some of the participants on the effectiveness of the seminar, the larger research and consulting effort, and the relevance of both to their particular conditions, we accepted the invitations and spent a half day in each of these municipalities talking with their officials. In each case, we found that the seminar and the larger research effort was perceived as being directly relevant to the interests and concerns of the municipalities we visited.

#### Evaluation of the Collaborative Effort

A considerable portion of our visit was devoted to evaluating the seven-month collaborative effort between Berkeley, INCAE, and SAMU. The tripartite nature of the undertaking required separate evaluation sessions with each of the other parties as well as joint sessions. In addition, we met with Tom McKee of LAC/DR, USAID Washington, and members of the USAID mission in Managua for the purposes of evaluating Berkeley's assistance to SAMU and its relations with INCAE.

It should be noted that the tripartite nature of this undertaking was complicated by the fact that the funding source, USAID, was not directly involved either in the actual negotiations which defined the scope of work agreed upon by the three parties involved or in the implementation of the agreed upon combination of applied research and technical assistance carried out by the PMD and INCAE. This meant that the joint Berkeley/INCAE team acted under conditions of considerable autonomy and without a direct relationship to the USAID mission in Managua.

From the mission's point of view, this was desirable and even necessary, given the larger political context and the deteriorating relations between the U.S. and Nicaragua. Moreover, because of these conditions, we sought at every turn to assure our Nicaraguan counterparts that we were there to provide assistance to them strictly according to their needs and interests. Thus we tried to maintain a flexible, open, and supportive relationship at all times with the Nicaraguan officials with whom we worked. Although there were minor misunderstandings and differences of opinion, in general it is clear from all indications that we succeeded in gaining the respect and confidence of our Nicaraguan counterparts. This was revealed over and over again in our final meetings and in the evaluation sessions held during the last week of our visit. This was no small accomplishment in view of the general background conditions of increasing hostility between the U.S. and Nicaragua.

In addition, we appear to have gained acceptance for the value of applied research as an instrument for the diagnosis, evaluation, and planning of municipal development and administrative reform. This is important, because the prevailing conditions and perceived needs of SAMU tended to dictate that priority be given to more classic technical assistance activities such as staff development, organizational design, the analysis of administrative methods and procedures, etc. In view of such circumstances, it was difficult to make the case for macro analyses and studies which were not directly related to specific administrative problems of a more micro and immediate nature. The temptation to devote all our energy to the latter kinds of problems had to be resisted constantly in order to carry out the type of global, diagnostic, and long-range analysis which we knew was needed, but could only be appreciated once

it was accomplished. Not until the end of our seven-month effort was it therefore possible to demonstrate the real value of our analysis of more macro questions of long-range importance.

The more classical technical assistance which was provided, especially that given by Andres Perez (the Nicaraguan consultant whom the PMD hired through INCAE) and Charles Downs, was readily appreciated and served to satisfy immediate needs on the part of SAMU. However, this to some degree made it more difficult to justify the field work carried out at the municipal level, since the latter tended to be directed at questions of a more global and long-range nature.

INCAE had hoped that this research would produce material for municipal management case studies which they could then use in their management training programs. However, they were unable to commit the human resources in time that would have been necessary to produce the type of management decision-making case studies desired. The Berkeley participants had no training in the production of this type of instructional case studies, since their skills and professional competence were in the areas of planning, organizational, and social analysis. Thus, the research data which they produced did not easily lend itself to the INCAE type of case studies. When this was realized and INCAE made an effort to put someone into the field to generate this type of information, SAMU decided that it would rather not have any new faces involved in the field research. Thus, the municipal management case studies were dropped as part of the collaborative effort. This disappointed our INCAE counterparts and led to some disenchantment on their part with the collaborative effort. Nevertheless, by the end of the effort, INCAE was able to incorporate members of SAMU's staff into some management training courses they were

offering for other government officials, and the participants came away with a favorable impression of INCAE's training capabilities, something which INCAE had hoped from the beginning would result from their collaboration with us in providing assistance to SAMU.

Both INCAE and ourselves came to the conclusion during the last weeks of the collaborative effort that we have distinct capabilities (Berkeley in the area of applied research and planning; and INCAE in management training and consulting), and that we should not have tried to combine our collaborative effort as closely as we did. INCAE realized that they were really not interested in getting involved in applied research, and Berkeley realized that we were not really interested in management training. Some tensions developed between us during the course of the collaborative effort as we both began to realize this. However, our discussions during the last weeks helped us to overcome these tensions and we mutually agreed that if the opportunity presented itself again in the future, we would like to work together, but this time each in their own area of competence and without attempting to form a joint team responsible for undertaking a wide range of activities involving close coordination between our different skills. Thus, we could envisage a looser association in which Berkeley undertook applied research and INCAE provided management training to SAMU, but without there being any direct linkage between our research and the content or design of INCAE's management training.

Berkeley's association with the USAID mission in Managua has remained quite congenial since Harris and Kusnetzoff first went to Nicaragua in October, 1980. The former mission director, Larry Harrison, was quite helpful and supportive of the undertaking, as were Jerry Wein

and Ken Schofield. The low profile taken by the mission during the entire collaborative effort made it possible to allay any fears that the Nicaraguans might have held with regard to possible U.S. government interference or intelligence-gathering activities in an important area of Nicaraguan internal affairs, i.e. administrative decentralization and municipal government. In point of fact, the mission placed no demands upon the Berkeley/INCAE team and we were able to operate with complete autonomy. However, this may have inadvertently given rise to misunderstandings between the PMD and ST/RAD in Washington. The latter's insistence during the last weeks of the project for greater documentation on what Berkeley was doing in Nicaragua caught us by surprise and seemed inconsistent with the relationship enjoyed between the project and the AID mission in Managua. ST/RAD's request for copies of all memoranda and documents prepared by Berkeley for SAMU came at an inconvenient moment, just a few weeks before completion of our collaborative effort in Nicaragua, and at a moment when requesting permission from SAMU to provide copies of these materials to USAID Washington could have raised suspicions on the part of SAMU. Moreover, the PMD was not aware that it was under an obligation to provide Washington with copies of all the materials produced for SAMU, and instead assumed that the trip reports produced by the Berkeley participants after each visit plus a final larger report upon completion of the undertaking would satisfy its reporting requirements (both to the mission and Washington).

#### Value of Research

The insights obtained through our close collaborative consulting relationship with SAMU as well as the field research carried out by

Downs and Kusnetzoff at the municipal level have made it possible for us to be participant observers in a fascinating process of both administrative and political decentralization. The present revolutionary government of Nicaragua is clearly committed to a far-reaching transformation of the nature of the Nicaraguan State. This transformation involves both the territorial decentralization of the central ministries plus the devolution of authority and resources to the municipal level. Thus, contemporary Nicaragua offers an excellent case study of many forms of governmental decentralization. Important questions concerning the appropriate division of responsibilities between the central and local governments, the linkages between these different levels of government, how to strengthen the administrative and financial capabilities of the municipal governments, how to incorporate popular non-governmental organizations into the planning and implementation of government activities at the local level, how to institutionalize direct citizen participation in the governmental process, the promotion of inter-municipal cooperation and coordination, etc., are major issues in contemporary Nicaragua. Our research in Nicaragua over the last seven months has given us an invaluable opportunity to study these questions, not in the abstract, but in relation to the concrete realities of a developing country whose government and people are making an historic effort to build a more humane, equitable, and democratic social order. The final research report now being written by Downs and Kusnetzoff, based upon the research carried out during the collaborative effort in Nicaragua over the last seven months, will elucidate both the unique aspects of decentralization and municipal development in Nicaragua as well as those aspects which have relevance to the PMD's on-going effort to advance our general

understanding and technical knowledge of the determinants, alternative structures, techniques, relative effects, and dynamics of governmental decentralization.