# **Institutional Design and Decentralization: The Case of Chile**

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The process of decentralization—the election of regional (provincial) legislatures—constitutes a unique opportunity for electoral engineering. The creation of regional parliaments with limited political and economic authority to enact laws and regulations poses a challenge to the existing balance between the executive and legislative in Chile. Analyzing the upcoming government legislative initiative to transform indirectly elected Regional Councils (COREs) into directly elected bodies with additional attributions and powers, we highlight some of the institutional design problems of the new plan and discuss their potential implications for the consolidation of democracy, accountability and the decentralization effort underway in Chile.

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#### A Caveat

When originally planned, this paper was intended to address the Chilean government proposal for decentralization. Although it was expected that it would be submitted to the Chilean parliament in late 2001, the proposal has yet to leave the Office of the Undersecretary for the Interior. In June 2001 in the city of Concepción, president Ricardo Lagos outlined announced a decentralization plan and outlined its main features. The central components of the announced reform included:

- 1. Direct election of Regional Council Members (CORE).
- 2. Creation of the CORE President position (to be elected by the CORE from within its members) to separate the existing Intendente functions into those pertaining to representing the central government at the regional level and those related to representing the regional government before the national government.
- 3. Creation of regional services in charge of the regional government to replace existing bureaucracies which presently report to national government ministries.
- 1) Elimination from the Constitution of provisions that set the number of Regions at 13, and introduction of language establishing a criteria to divide existing Regions into new ones.

The message by president Lagos purposely avoided referring to a central issue on any decentralization initiative. The president did not address whether the strengthened regional governments would have the power to introduce, and possibly collect, their own taxes. In addition, the main drawback of the presidential initiative is that it has failed to become a legislative initiative. At the time of this writing, no legislative initiative had been sent to the parliament for its consideration. However, some potential conflicts between the legislative and the executive can already be predicted from the outline presented by president Lagos. Because the presidential initiative did not directly spell out the way in which the Regional Council members (COREs) would be elected, it is impossible to predict the incentives and constraints that will exist with the final institutional design for political parties and for the behavior of CORE members.

In what follows, we address some of the potential conflicts and institutional design incentives that can already be anticipated in the presidential initiative. We first briefly discuss the structure of national, regional and local government in Chile and its recent evolution. We then address the institutional design problems that pertain to the election of CORE members. We anticipate some potential difficulties that might arise if the government decides to move forward with the legislative initiatives to strengthen regional governments. We base our expectations about the upcoming government legislative initiative on president Lagos' presidential message and on a study commissioned by the Under Secretary for Regional Development (SUBDERE) of the Interior Ministry (Fernández et al., 2001).

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<sup>&</sup>lt;sup>1</sup> A sketch of the speech can be found in the *Red de Desarrollo Económico Local* website (http://www.redel.cl/documentos/goeske5.html), an initiative financed by the Chilean Chapter of the Friedrich Ebert Foundation.

### A History of Limited Decentralization

Before the 1973 military coup, the country was divided into 25 Provinces. Each province was comprised of a varying number of Departments and each Department was made up of Municipalities. Provincial governors were appointed by the president and represented the executive at the local level. Municipal governments were comprised of a mayor and local councils, elected for 4-year terms.<sup>2</sup> For all practical matters, the system of government was highly centralized, with provincial and departmental governments exerting very little decision-making power and elected municipal governments administering very limited budgets and enjoying very few attributions.<sup>3</sup>

After the 1973 coup, the military Junta removed many mayors and closed all local councils. New mayors were appointed and many elected conservative mayors were ratified in their posts. The Junta also removed all provincial governors and appointed new ones. Reflecting on the notion that local governments were simply extensions of the central government, the Military Junta filled all local government positions with political supporters and politicians loyal to the new government. Unlike other authoritarian regimes that allowed for some political competition to exist at the local level, the Chilean Military Junta sought to prevent the opposition from re-organizing at the local government level. In fact, as Huneeus (2001) has argued, the local government bureaucracy served as the basis on which a group loyal to the dictatorship organized and built the Independent Democratic Union, the conservative political party that emerged after 1999 as a strong contender for political power in Chile.

During the Pinochet dictatorship (1973-1990), the provincial division of the country (25 provinces) was discarded and a new political division was adopted. The Military Junta created a National Commission for Administrative Reform (CONARA) on December 1973 via Law Decree 212. The CONARA, in existence from 1973 to 1983, produced legislation that was made into three Law Decrees in 1974. Those decrees created 12 Regions and a Metropolitan Area to replace the existing 25 provinces (Decree Law 573, 574 and 575). Each Region was comprised of provinces and municipalities.<sup>4</sup> Eventually, 51 provinces were created within the 13 Regions (the Metropolitan Area was made into a Region during the 1980s). The number of provinces within each region

<sup>&</sup>lt;sup>2</sup> Law 13296, from May 2, 1959, increased the term of council members from 3 to 4 years and set municipal elections to be held on odd years and not concurrent with parliamentary elections. In order to accommodate this change, the 1960 municipal elections were conducted under the old system and the new system kicked in with the 1963 municipal elections.

<sup>&</sup>lt;sup>3</sup> Se Valenzuela (1977), Gil (1966, 1969) for a good description of the centralized political system in place in Chile before 1973.

<sup>&</sup>lt;sup>4</sup> Technically, the word used is 'commune' rather than 'municipality', for 'commune' identifies a territorial division whereas 'municipality' refers to a government body. Just like the terms 'state' and 'government' makes the distinction between a territory and a political system that governs it, the word 'commune' refers to the territory and the term 'municipality' refers to the government that rules it. The distinction might be irrelevant for most practical matters, except that there might be 'communes' with no municipality. That is the case of the Antártica commune. For that reason, the total number of communes in Chile is 342 but the number of municipalities is 341.

varies between 2 provinces (Araucanía Region) and 7 (Valparaíso Region). The boundaries of the new provinces and municipalities were not immediately defined. The 287 municipalities that existed in 1973 were eventually rearranged into 335 municipalities by 1990. After that date, 7 new municipalities have been created.

The new political division of the country created in 1974 reproduced the centralized approach in place before 1973. A presidential appointee, the Intendente (Regional Governor) is the high authority in each Region. Provincial Governors are also presidential appointees, but they act under the oversight of the Regional Intendentes. In that sense, the line of command follows the logic of the Central Government (President), Regional Government (Intendente) and Provincial Government (Governor). Since 1992, municipalities elect their own governments (city councils and mayors). Municipal mayors and council members are not in the same line of command as Intendentes and Governors.

In its original form, the 1980 Constitution did not provide for the direct election of mayors. Instead, the Constitution devised a complex system of indirect representation by making municipal councils appointed rather than elected, and by establishing a complex system of appointments for municipal mayors. A reform approved in 1991 changed the system to provide for the direct election of council members. Depending on the number of registered voters in each municipality, municipalities were to elect 6, 8 or 10-member councils. Those municipalities with less than 75 thousand registered voters elect a 6-member council. Municipalities with more than 75 thousand but less than 150 thousand voters elect 8-member councils and municipalities with more than 150 thousand voters elect 10-member councils.

Table 1 Number of Municipalities and Size of Councils, 1992-2000 Elections

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<b>Effective Number of Parties</b>	1992	1996	2000
Number of Municipalities	334	341	341
# municipalities with 6 councilors	286	292	294
# municipalities with 8 councilors	43	45	44
# municipalities with 10 councilors	5	4	3

Source: authors' calculations from electoral results found in http://elecciones.gov.cl/

The first municipal election under the new rules was held in July of 1992. Council members were elected by proportional representation using the d'Hondt seat allocation formula.<sup>5</sup> Each council elected the municipal mayor by simple majority vote within its members. Because the number of council members was always even, in order for a party to unilaterally elect the mayor, a 2/3 control of the Council was needed (4 out of 6 votes). The particularities of the Chilean party system, with parties grouped into stable political coalitions,<sup>6</sup> created tensions within those coalitions as some council members broke ranks with their parties and negotiated the election of mayors with other elected council members from opposite parties disobeying their national party instructions. Although for

<sup>5</sup> For an explanation of the d'Hondt electoral formula, and other formulas, see the Administration and Cost of Elections Project, <a href="http://www.aceproject.org/main/english/es/esc06.htm">http://www.aceproject.org/main/english/es/esc06.htm</a>

<sup>&</sup>lt;sup>6</sup> On this see Siavelis (1997, 2000), Montes, Mainwaring and Ortega (2000) and Valenzuela and Scully (1997).

the most part council members adhered to the protocols negotiated within the governing *Concertación*<sup>7</sup> coalition and the conservative opposition<sup>8</sup> (grouped then under the *Participación y Progreso* label and called *Alianza por Chile* today), defections from the protocol caused some tensions and provoked accusations of disloyalty within both mayor coalitions. The 'protocols' consisted on dividing the 4-year mayoral terms into 2 2-year terms periods to be split among council member candidates that surpassed a certain vote threshold and were intended to accommodate the political aspirations of council members of the parties that comprised the *Concertación*.

The partisan indiscipline of many council members led most mayor parties to agree to reform the electoral system for municipal elections. The system was reformed before the 1996 Municipal Election in such a way as to facilitate the direct election of mayors. Although voters continued voting exclusively for council member candidates, if a plurality winning candidate obtained more than 30% of the votes (or if a party/coalition plurality won a plurality with more than 30% of the vote), the candidate with the most votes would be automatically elected mayor for a 4-year period. Although that quick fix solved the problem of enforcing coalition protocols, it had unintended consequences that distorted the electoral preferences of voters. Because the mayor has significantly more power than the municipal council, all parties concentrated in electing mayors rather than on electing city council members. Given the incentives to pool votes into a single candidate, so that the candidate could be a plurality winner with more than 30% of the votes, the main coalitions selected 'privileged' candidates to maximize the number of mayoralties won rather than to maximize the number of votes won. In the 2000 Municipal election (the third such election since the return of democracy and the second under the new rules), the distortions caused by the electoral rules helped the ruling Concertación coalition lose 66 mayoralties where the Concertación was the plurality winner. The *Alianza* was the plurality winner in 109 municipalities, but it successfully won 166 mayoralties.

A new reform was adopted after the 2000 elections to separate council member elections from mayoral elections. Starting in 2004, following the structure of the presidential/legislative vote, voters will select in the same election a candidate for mayor and one candidate for the city council. The mayoral election will be a plurality contest with no runoff provisions. The city council election will remain a d'Hondt proportional representation scheme to fill the 6, 8 or 10-member council in each of Chile's 341 municipalities.

<sup>&</sup>lt;sup>7</sup> Political coalition comprised of the centrist Christian Democratic Party (PDC), left-leaning Radical Social Democratic Party (PRSD), social democratic Party for Democracy (PPD) and Socialist Party (PS).

<sup>&</sup>lt;sup>8</sup> Conservative political coalition comprised of National Renovation (RN) and the Independent Democratic Union (UDI).

Table 2. Plurality Winner and Mayors elected, number of municipalities, 2000

Plurality			Number of M	<b>Aayors Electe</b>	ed	
Winner	Concertación	Alianza	PC	UCC	Independents	Total
Concertación	159	66				225
Alianza	9	100				109
Communist			1			1
Party						
Center-Center				3		3
Union						
Independents					3	3
Total	168	166	1	3	3	341

Source: http://www.elecciones.gov.cl

Table 3. Plurality Winner and Mayors Elected, % of Municipalities, 2000

Plurality		· ·	Mayors	Elected %	-	
Winner	Concertación	Alianza	PC	UCC	Independents	Total
Concertación	46.6	19.4				66
Alianza	2.6	29.3				32
Communist			0.3			0.3
Party						
Center-Center				0.9		0.9
Union						
Independents					0.9	0.9
Total	49.3	48.7	0.3	0.9	0.9	100

Source: http://www.elecciones.gov.cl

Although municipal governments are independent of regional and provincial governments, the composition of the regional governments depends in part on the make up of the municipal councils within each Region. Regional governments are comprised of *Intendentes*, appointed by the president (central government) and of a Regional Board (*Consejo Regional*, CORE) elected by the municipal council members (more on this below). In that sense, the composition of the Regional Governments is a mixture of two different schemes. On the one hand, there is the Regional Intendente, a presidential appointee, and on the other there are CORE members, elected indirectly by voters in Municipal elections. For all practical matters, this is a mixed system of centralized and decentralized government. Yet, the powers and attributions of the *Intendentes* and the CORE are not balanced. The *Intendente* is far more powerful than the CORE. Therefore, even though the CORE indirectly emanates from the local municipal constituencies, the system is far from being a decentralized approach to regional government. Despite the existence of the CORE, it is correct to assess the Chilean system as a centralized approach to regional governments.

The *Intendente* has two different functions. As a presidential appointee, the *Intendente* represents the central government in each region. At the same time, the *Intendente* is the executive power of the regional government (with the CORE serving as a legislative body of a sort). The objective of the CORE is to allow for the effective participation of the community and, to this end, it possesses normative and oversight

attributions and the power to resolve on certain matters. So, even though the *Intendente* is a presidential appointee, she is supposed to perform duties as head of an indirectly locally elected body, the CORE.

The election of CORE members works as follows. Shortly after taking office (weeks after municipal elections), all council members (concejales) and municipal mayors that comprise the region form an electoral college in each Province. Each Province is guaranteed at least 2 seats in the CORE, regardless of its population. The total number of seats in each CORE varies depending on the regional population. According to the original law, those regions with more than 1 million inhabitants elect 14-member COREs, the rest elect 10-member COREs. In reality, because of a provision adopted when the law was first approved, COREs have between 16 and 28 members. The number of members of each regional CORE was determined taking into account the regional population and the number of provinces within each region. Because each province was guaranteed two (2) seats in the CORE, regions with more provinces have larger COREs than regions with fewer provinces. As shown in Table 4, the Valparaíso Region has the largest CORE (28 seats), even though the most populated region is Metropolitana (26 seats). Similarly, O'Higgins Region has a 16-seat CORE even though the region is slightly less populated than Araucanía (14-seat CORE). The number of additional seats assigned to each province depends on the number of registered voters in each province. Six months before the election, the regional director of the Electoral Service determines the number of additional CORE seats assigned to each province. Thus, the number of CORE members elected in each province can vary from election to election. Although, insofar as we have been able to tell, the number of CORE seats assigned to each province has remained constant since they were first elected in 1992. As Table 4 shows, the size of the CORE does not fully reflect the relative population of each region. Less populated regions with a larger number of provinces have larger COREs than more populated regions with fewer provinces.

<sup>&</sup>lt;sup>9</sup> From the 1993 Organic Constitutional Law 19,175 on Government and Regional Administration (LOC 19.175, <a href="http://www.bienes.gob.cl/legislac/html/ley\_19175.html">http://www.bienes.gob.cl/legislac/html/ley\_19175.html</a>)

**Table 4. CORE Composition for all Regions (1992-2000)** 

Region	# CORE	Pop	Pop % Nat'l	# In Each Province
	Members	_	•	
Tarapacá	16	392,625	2.6	Arica (7), Parinacota (2), Iquique (7)
Antofagasta	16	462,286	3.1	Tocopilla (3), El Loa (5), Antofagasta (8)
Atacama	16	269,047	1.8	Chañaral (4), Copiapó (7), Huasco (5)
Coquimbo	16	569,825	3.8	Elqui (8), Limarí (5), Choapa (3)
Valparaíso	28	1,543,566	10.3	Petorca (2), Los Andes (2), San Felipe (3),
				Quillota (4), Valparaíso (12), San Antonio (3),
				Isla de Pascua (2)
O'Higgins	16	778,801	5.2	Cachapoal (9), Colchagua (5), C. Caro (2)
Maule	18	906,882	6.0	Curicó (5), Talca (6), Linares (5), Cauquenes (2)
Bio-Bío	22	1,915,844	12.8	Ñuble (5), Concepción (9), Bio-Bio (5), Arauco
				(3)
Araucanía	14	864,975	5.8	Malleco (4), Cautín (10)
Los Lagos	20	1,056,734	7.0	Valdivia (6), Osorno (4), Llanquihue (5), Chiloé
				(3), Palena (2)
Aysén	18	87,460	0.6	Coyhaique (8), Aysén (6), General Carrera (2),
				Capitán Prat (2)
Magallanes	18	156,530	1.0	Última Esperanza (3), Magallanes (11), Tierra
				del Fuego (2), Antártica (2)
Metropolitana	26	6,013,185	40.0	Chacabuco (2), Santiago (16), Cordillera (2),
				Maipo (2), Melipilla (2), Talagante (2)
Total	244	15,017,760	100	51 Provinces, 102 seats allocated by minimum
				threshold, 142 allocated by proportional
				representation within regions

The number of members of the electoral colleges for the CORE elections varies from province to province. Those provinces comprising a larger number of municipalities have larger electoral colleges. The Province of Santiago, for example, is comprised of 33 municipalities. Thus, the minimum number of members in that electoral college is 198. However, since some of those municipalities have 8 or 10 member city councils, the actual size of the electoral college in that province is even larger. Provinces are comprised of 2 or more municipalities. There are 8 provinces comprised of only 2 municipalities. The electoral colleges in those provinces are comprised of 12 members. Varying between 12 and more than 200, the electoral colleges convene once every four years to indirectly elect the CORE members.

Naturally, because all municipalities send no less than 6 council members to the electoral colleges regardless of their population, less populated municipalities are over represented in the electoral colleges. Although it is true that municipalities with more than 75,000 registered voters have 8-seat council members (and those with more than 150,000 voters have 10-seat councils), more populated municipalities are severely under represented particularly in provinces that comprise one large municipality and several significantly smaller communes. For example, the Iquique Province in the Tarapacá Region is comprised by the municipalities of Iquique (98,669 registered voters in 2001), Huara (2,947), Camiña (1,968), Colchane (1,275), Pica (2,786) and Pozo Almonte

<sup>&</sup>lt;sup>10</sup> The Isla de Pascua province is an exception. The island has only one populated town, the commune of Rapa Nui. That province is comprised of only one municipality.

(6,286). Although the municipality of Iquique has 8 council members, the remaining 5 municipalities combined have 30 council members. Although Iquique accounts for 87% of the provincial population, it only makes up 21% of the electoral college that appoint that province's 7 members to the Regional Council. Therefore, it is not just that the smaller provinces are over represented in the COREs but also the larger cities within each province are under represented in the provincial electoral college.

Table 5. Number of Municipalities in Each of Chile's 51 Provinces

Province #	# Municipalities	Province #	# Municipalities	Province #	# Municipalities
Arica (I)	2	Los Andes (V)	4	Nuble (VIII)	21
Parinacota (I)	2	San Antonio (V)	6	Arauco (VIII)	7
Iquique (I)	6	Maipo	4	Malleco (IX)	11
Tocopilla (II)	2	Santiago	32	Cautín (IX)	20
El Loa (II)	3	Cordillera	3	Valdivia (X)	12
Antofagasta (II)	4	Chacabuco	3	Osorno (X)	7
Chañaral (III)	2	Melipilla	5	Llanquihue (X)	9
Copiapó (III)	3	Talagante	5	Chiloé (X)	10
Huasco (III)	4	Cachapoal (VI)	17	Palena (X)	4
Elqui (IV)	6	Colchagua (VI)	10	Aisén (XI)	3
Limari (IV)	5	Card Caro (VI)	6	Coihaique (XI)	2
Choapa (IV)	4	Curicó (VII)	9	Captian Prat (XI)	3
Petorca (V)	5	Talca (VII)	10	G. Carrera (XI)	2
San Felipe (V)	6	Linares (VIII)	8	Magallanes (XII)	4
Quillota (V)	7	Cauquenes (VII)	3	Ult Esperan (XII)	2
Valparaíso (V)	9	Concepcin (VIII)	12	T del Fuego (XII)	3
Isl de Pascua (V)	1	Bio Bio (VIII)	13	Antártica (XII)	2

Source: Instituto Nacional de Estadísticas, 2000.

The members of the CORE are elected for renewable 4-year terms. Eligibility requirements include a two-year residency in the province for which they are elected to serve. In addition, CORE membership is incompatible with municipal council membership and with other local consulting bodies, such as the provincial and communal economic and social councils. CORE members are not public servants (as other elected officials are) except with respect to administrative probity and civil and criminal responsibilities. To be nominated as a CORE candidate before the provincial electoral college, a citizen CORE must be nominated by any two council members or by 0.5% of the registered voters within the province. CORE candidates can present their candidacies as independent or grouped in a party list. The electoral college will vote using a d'Hondt proportional representation formula to allocate the seats assigned to each province.

Table 6. Provincial Make Up of the 13 Regional Councils in Chile

		Population	Pop %	gional Counc # CORE Seats	% CORE Seats	Regional Total	
Region	Province	(1999)	Regional		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(% Nat'l Population)	
	Arica	192,396	49.0	7	43.8	_	
Tarapacá	Iquique	196,604	50.1	7	43.8	392,625	
	Parinacota	3,625	0.9	2	12.5		
	Antofagasta	276,254	59.8	8	50.0		
Antofagasta	El Loa	142,859	30.9	5	31.3	462,286	
	Tocopilla	43,173	9.3	3	18.8		
	Chañaral	43,416	16.1	4	25.0		
Atacama	Copiapó	155,176	57.7	7	43.8	269,047	
	Huasco	70,455	26.2	5	31.3		
	Choapa	84,847	14.9	3	18.8		
Coquimbo	Elqui	329,676	57.9	8	50.0	569,825	
	Limarí	155,302	27.3	5	31.2	]	
	Isla de Pascua	3,516	0.2	2	7.1		
	Los Andes	87,950	5.7	2	7.1		
	Petorca	71,661	4.6	2	7.1		
Valparaíso	Quillota	224,626	14.6	4	14.3	1,543,566	
•	San Antonio	130,061	8.4	3	18.8		
	San Felipe	132,586	8.6	3	18.8		
	Valparaíso	893,166	57.9	12	42.9		
	Cachapoal	542,989	69.7	9	56.3		
O'Higgins	Card Caro	38,751	5.0	2	12.5	778,801	
- 66	Colchagua	197,061	25.3	5	31.3		
	Cauquenes	57,881	6.4	2	11.1		
	Curicó	242,142	26.7	5	27.7		
Maule	Linares	263,130	29.0	5	27.7	906,882	
	Talca	343,729	37.9	6	21.4	1	
	Arauco	166,863	8.7	3	13.6		
	Bíobío	354,672	18.5	5	22.7		
Bio-Bio	Concepción	942,122	49.2	9	40.9	1,915,844	
	Ñuble	452,187	23.6	5	22.7		
	Cautín	648,190	74.9	10	71.4		
Araucanía	Malleco	216,785	25.1	4	28.6	864,975	
	Chiloé	149,502	14.1	3	15.0		
	Gral. Carrera	6,176	0.6	2	10.0	1	
	Llanquihue	303,421	28.7	5	25.0	1	
Los Lagos	Osorno	223,749	21.2	4	20.0	1,056,734	
	Palena	20,453	1.9	2	10.0	•	
	Valdivia	353,433	33.4	6	30.0	1	
	Aisén	33,566	38.4	6	33.3		
Aysén	Capitán Prat	4,784	5.5	2	11.1	87,460	
11,5011	Coihaique	49,110	56.2	8	44.4	07,100	
	Antártica	2,701	1.7	2	11.1		
Magallanes	Magallanes	129,719	82.9	11	61.1	-	
iviagananes	T del Fuego	6,067	3.9	2	11.1	156,530	
	Últ Esperanza	18,043	11.5	3	16.7	1	
	Chacabuco	124,610	2.1	2	7.7		
	Cordillera	432,959	7.2	2	7.7	1	
Metropolitana	Maipo	370,926	6.2	2	7.7	-	
wien oponitana				2		6,013,185	
	Melipilla Santiago	136,533	2.3	16	7.7	-	
		4,752,872	79.0	2	61.5 7.7	1	
Total	Talagante	195,285	3.2			15 017 760	
Total		15,017,760		244		15,017,760	

### **CORE Powers and Attributions**

The CORE approves plans and regional development strategies and decides on how to allocate a number of regional budget initiatives approved in the national budget. In other words, COREs can allocate certain expenditures within the general constraints so determined by the national budget. Those allocations are decided in the following manner. First, the *Intendente* sends spending proposals to the CORE, with technical support documents produced by the Division of Analysis and Management Control (control de gestión), an organ dependent of the *Intendente* and previously approved by the Regional Government's Juridical Department. Certain investment or special project proposals require, in addition, the approval of the Regional Secretariat of Planning, SERPLAC (Secretaría Regional Ministerial de Planificación), an organ dependent of the national Ministry of Planning (MIDEPLAN). A CORE committee (some committees are permanent but many are formed for ad hoc purposes) analyzes the Intendente legislative initiatives and might decide to hold public hearings where interested parties can express their views. Within 30 days, the CORE must approve, modify or replace the *Intendente*'s proposal, or else the original proposal will be approved.

The funds to finance projects and initiatives come directly from the National Budget. The national government and the legislative are mandated to include a number of budget items for regional investment projects and for the operation of the regional governments, with the most important being the National Fund for Regional Development (FNDR). The FNDR is a program of public investment designed to produce "territorial compensation" (Article 73, Law 19.175). It is oriented to finance social and economic infrastructure in the region in order to attain an equitable territorial development. Other CORE responsibilities include the approval of the municipal development regulatory plans after they are submitted by the municipality and approved by the regional office of the Housing Ministry, and the inter municipal regulatory plans. The CORE also approves, changes or replaces the regional development regulatory plan and the regional budget submitted by the *Intendente*. The CORE also needs to approve cooperation agreements between national ministries and the regional government. The CORE oversights the *Intendente* in his/her functions of executive power of the CORE, but has no oversight power for the actions of the *Intendente* as the representative of the national government in the region.

The CORE meets in ordinary and extraordinary sessions. There must be at least one ordinary session per month. In ordinary sessions, any matter of the competence of the CORE may be discussed. In extraordinary sessions, only matters included in the official convening call may be discussed. Both ordinary and extraordinary sessions are open to the public, however the CORE might choose to have secret sessions, just like the national legislature can. The quorum required to begin a session is 3/5 of the members, although an absolute majority of members might also be sufficient under certain situations.

Resolutions require an absolute majority of those present. CORE members receive a modest allowance for session attended (approximately US\$ 50). 11

Although the COREs have been in existence under this scheme since 1993, their powers and attributions have been widely defined as insufficient, incomplete, inappropriate and not sufficiently useful to adequately advance the process of decentralization and regional development. The non-elected nature of CORE members has also hindered the public legitimacy of the entire body and the decentralization effort it represents. Intendentes have successfully bypassed COREs in many instances and their limited attributions have hindered the development of the COREs and their consolidation as a legitimate decision-making body. For that reason, the government has undertaken additional efforts to empower COREs and vest them of renewed popular legitimacy.<sup>12</sup>

In June 2001, the government announced a reform that would primarily achieve three purposes:

- 1. Separation of the *Intendente* role from the CORE executive power role. While the *Intendentes* would remain accountable to national government and would be appointed by the president, the popularly elected CORE members would elect a CORE president. The CORE president would submit proposals to the CORE and would take on the CORE-related tasks currently performed by the *Intendente*.
- 2. Direct election of CORE members. Utilizing provinces as the electoral district, the governments announced proposal would make the election of CORE members concurrent with municipal elections. If approved before 2004, voters would concurrently elect a municipal mayor and council and a provincial CORE delegation. Presumably, each province would constitute a multi-member district and the d'Hondt proportional representation electoral formula would be used to select the N CORE members from every province.
- 3. Additional powers and attributions for the CORE. CORE members would become a regional legislative power of a sort, although the specific attributions of the new CORES and the roles of the new CORE members have not been clearly laid out.

### Potential Institutional Design Problems in the Upcoming Reform

Although the government has yet to send its formal legislative initiative, some potential conflicts can already be identified based on the content of the presidential message of June of 2001 and the conclusions of the study commissioned by the

<sup>&</sup>lt;sup>11</sup> The allowance is set at 2 tax monthly units (UTM), an inflation indexed value set by the Finance Ministry (Article 39 LOC 19.175). There is a monthly top of six UTMs for CORE member. In addition, they are reimbursed for travel expenses to attend CORE meetings.

<sup>&</sup>lt;sup>12</sup> The rationale for the government's effort can be found in most official SUBDERE documents available in <a href="http://www.subdere.cl/paginas/CEDOC/Publicaciones.htm">http://www.subdere.cl/paginas/CEDOC/Publicaciones.htm</a>

SUBDERE (Fernández et al. 2001). Those problems have to do with the provisions to directly elect the members of the CORE but not of the *Intendente* and the over representation that will exist for less populated provinces.

### 1) Direct election of COREs but not of Intendentes or CORE presidents

The presidential message outlining the legislative initiative to empower the CORE and introduce reforms to democratically elect its members sought to create a sharp distinction between the roles of the *Intendente* and that of the CORE president. Seeking to avoid the emergence of conflicts between a centrally appointed *Intendente* and a democratically indirectly elected CORE president, the government has emphasized the distinct functions of both officials (Fernández et al, 2001). However, the fact that the government chose against the direct election of the CORE president sheds light into the government's concern for a potential conflict to emerge between an appointed *Intendente* and an elected CORE president.

Because the CORE election can easily be transformed into a plebiscite on the centrally appointed *Intendente*—"only those who support the central government and the Intendente will vote for the candidate from the Intendente's party"—and on the national government, the clear division of attributions and powers will not prevent that CORE elections be turned into evaluations of the performance of the appointed *Intendente*. In fact, because voters will only be able to judge the performance of the powerful *Intendente* indirectly via the CORE election, the objective of separating the roles of the *Intendente* and the CORE might be adversely serve by making the CORE members elected but not the *Intendente*. The experience with municipal elections, where voters technically elect the members of the city council but not the major has shown that voters and candidates can coordinate to transform an election for an office into something else. Just as municipal elections have become contests to select the municipal mayor, with the concern over the city council taking backstage, the government will find it difficult to prevent that CORE elections be made into plebiscites on the president appointed *Intendente*. Although it will remain a presidential prerogative, opposition parties will have political ammunition to suggest that the regional *Intendente* should belong to the same party as the majority of CORE members.

In addition, by empowering the entire CORE to elect its president (rather than giving that power to voters), the government seeks to avoid the emergence of a regional leadership indirectly legitimized by voters. Although the entire CORE will elect its president, any single candidate can attempt to transform the CORE election into an opportunity to seek a mandate from voters to position her or his leadership into a rivalry with the presidential appointed *Intendente*. True, the fact that the electoral district will be the province and not the region should make it difficult for anybody to stage a credible claim to regional legitimacy. However, there are 8 regions where a single province comprises more than 55% of the regional population. In five of those regions, the largest province comprise between 70 and 83% of the regional population. In the Metropolitan Region, the most populated region in the country (40% of the national population), the

Santiago Province comprises 79% of the regional population. A single candidate could successfully raise an alternative regional leadership legitimized by significant political support very easily in the Metropolitan, Antofagasta, O'Higgins, Araucanía and Magallanes regions (see Table 6).

Given the experience of municipal elections, one could also anticipate that political parties will seek to identify 'privileged' candidates within each political coalition to concentrate votes and facilitate that legitimacy claim. Just as the Concertación and Alianza parties separately negotiated to identify 'privileged' candidates before the 2000 municipal election, the main political coalitions might identify similar 'anchor' candidates in those provinces that compromise a significant share of the regional population. If voters go along with the strategies by those political parties, the open list proportional representation system that is used for all elections in Chile will inevitably transform the CORE elections into proxy *Intendente* elections. For example, with 64% of the votes in the Santiago Province, a candidate can secure more than 50% of the vote in the entire Metropolitan Region. True, that would require getting an awfully high level of support in a single province for a political coalition/party and, moreover, that voters successfully coordinated on a single CORE candidate from within that coalition/party, but the experience of the 2000 Municipal elections shows that the latter can successfully occur. In addition, parties/coalitions could also identify 'privileged' candidates in the larger provinces and have their candidates in smaller provinces pledge allegiance to those privileged candidates. In so doing, parties could extend the strategy to transform the CORE election into an *Intendente* proxy election in all of Chile's 13 regions, regardless of the provincial population breakdown.

# 2) Over Representation of Smaller Provinces

With the system currently in place since 1993, the largest provinces in every region are severely under represented. As shown in Table 7, there are 7 provinces that are under represented by a ratio of 10% or more with respect to their share of the regional population. Those 7 provinces are the largest and most urbanized provinces within their regions and together account for 6,866,761 inhabitants (45% of the national population). Conversely, there are several smaller provinces that are over represented by more than 10% and they are primarily comprised of rural areas and scarcely populated municipalities.

Table 7. Severely Under Represented Provinces in Regional COREs, 1999

Region	Province	Province Population (1999) %		Regional Pop # CORE Seats		Net Over Representation Difference
Atacama	Copiapó	155,176	57.7	7	43.8	-13.9
Valparaíso	Valparaíso	893,166	57.9	12	42.9	-15.0
O'Higgins	Cachapoal	542,989	69.7	9	56.3	-13.4
Maule	Talca	343,729	37.9	6	21.4	-16.5
Aysén	Coihaique	49,110	56.2	8	44.4	-11.8
Magallanes	Magallanes	129,719	82.9	11	61.1	-21.8
Metropolitana	Santiago	4,752,872	79.0	16	61.5	-17.5

In addition, within each province, cities are not proportionally represented. Table 8 shows the distinct representation of the 10 municipalities in the Electoral College in the Chiloé Province (Los Lagos Region). The most populated municipalities are under represented while the least populated municipalities are significantly over represented. The similar pattern occurs in most of Chile's 51 provinces, but the under representation of large municipalities is worse when there are fewer municipalities within a province and the population range varies dramatically. Although the government has not officially released its legislative initiative, Fernández et al. (2001) report that the government will propose to use provinces as electoral districts and that the CORE representatives within each province will be elected by an open list d'Hondt proportional representation formula. The over representation of smaller municipalities within each province would automatically disappear, as votes would be tallied by provinces, without taking into account the municipality where they were cast.

Table 8. Municipal Over Representation in the CORE, Chiloé Province

			% Province	Municipal Council Size	% of Municipal Seats in	Municipal Over
Municipality	Population		Registered Voters	(CORE Electoral College)	Provincial Electoral College	Representation
Castro	33,373	19,180	24.2	6	10	-14.2
Ancud	45,629	21,835	27.6	6	10	-17.6
Quemchi	8,048	4,803	6.1	6	10	3.9
Dalcahue	8,985	5,099	6.4	6	10	3.6
Cur. de Vélez	3,003	2,090	2.6	6	10	7.4
Quinchao	9,166	4,836	6.1	6	10	3.9
Puqueldón	4,229	2,605	3.3	6	10	6.7
Chonchi	11,776	6,295	8.0	6	10	2.0
Queilén	5,221	3,029	3.8	6	10	6.2
Quellón	20,072	9,328	11.8	6	10	-1.8
Total	149,502	79.100		60	100	0

Source: http://www.elecciones.gov/cl and www.ine.cl

However, the problem of over representation of less populated provinces would remain unless the necessary steps are taken to correct it. True, there might be arguments in favor of over representing certain areas. For example, political, strategic or historic

considerations are often used to explain the over representation of certain regions in the national parliament. In Chile, there is significant inter regional mal apportionment in the composition of the Senate. In the Chamber of Deputies there is also inter and intra regional mal apportionment. Recent debates on reforms to the existing electoral rules have failed to address the issue of mal apportionment and instead have focused on finding mechanisms to replace a number of non-elected senators with elected ones. 13 The Concertación government's effort to change the existing across-the-board 2-seat electoral districts for the Chamber of Deputies and Senate elections for a proportional representation with larger district magnitude has become the centerpiece of the reform, but no mention has been made of correcting for the over representation of certain regions in both the Chamber and Senate. Given that it is unlikely that existing mal apportionment in the parliament will be corrected, the design of a new electoral set of rules for the election of representatives at a different level of government should learn from past history and should include provisions to avoid mal apportionment. Moreover, unless there are valid, or powerful reasons, to purposely introduce mal apportionment provisions in electoral rules, every effort should be made to give equal weight to all voters regardless of their geographic location.

If the current system is maintained, with a minimum of 2 seats per province and a flexible size of the CORE depending on the population of the region and the number of provinces, larger provinces will remain under represented. If provincial mal apportionment is to be corrected, there are two different ways of approaching the issue that can be used separately or in combination. On the one hand, the size of the CORE can be enlarged to adjust for dramatic variations in the provincial populations within regions. On the other, the minimum number of CORE representatives can be reduced so as to minimize the automatic over representation of certain provinces. True, even if setting the minimum number of seats guaranteed to each province at 1, there would be provinces grossly over represented almost irregardless of the size of the CORE. In the Valparaíso Region, the Isla de Pascua province has barely 0.2% of the regional population. Only in a 500-seat CORE would that province not be over represented if 1 seat were guaranteed to every province. Altogether, there are 10 provinces whose share of their regional population is less than 5%. Given that the existing average CORE size is 19 seats—with most COREs having either 16 or 18 seats—setting the size of the CORE at 20 would help reduce over-representation of less populated provinces significantly.

Because the CORE would be mandated to elect a president, having an oddnumber CORE would prevent ties. In addition, because the attributions and powers of the CORE would be significantly expanded from what the CORE currently does, increasing the CORE size might be necessary to facilitate its proper functioning. Fernández et al. (2001) propose to set the size of the CORE at 25. Drawing on the criterion existing for the size of municipal councils, Fernández et al. (2001) propose allowing for more populated regions to have larger sized COREs. Regions with more than 10% of the national population would have 41-seat CORES, under their proposed scheme. That number would reduce the chances of intra-regional over representation and would guarantee a higher-than-one minimum number of seats to every province. Rather than

<sup>&</sup>lt;sup>13</sup> Comisión de Constitución et al., Senado de la República, 2001.

setting a population threshold, as it exists for municipal councils, their proposal focuses on the relative weight of the region with respect to the national population. With that criterion, only those regions that grow more rapidly than the national average would be able to eventually increase its CORE size. Under their proposal, there would be 10 25-seat COREs and 3 41-seat COREs. Fernández et al. (2001) see a benefit in standardizing the sizes of the COREs across regions. Rather than having 7 different CORE sizes, their proposal would only allow for only 2 different sizes in Chile's 13 regional CORES. Fernández et al. (2001) implicitly suggest that the 25-41 combination would also produce a total number of CORE members that is still considered acceptable and that would not be perceived as rendering the position of CORE member as irrelevant or unimportant as the position of council member is apparently perceived. In any event, the over representation of smaller provinces should be dealt with in the legislative initiative. If less populated provinces are to be over represented, there should be a clearly defined rationale explaining the reasons and outlining the objectives. Otherwise, every effort should be made not to over represent any provinces in the regional COREs.

### **Simulations**

Politics is the art of the possible, and institutional design changes must take into account the interests of those with the power to alter and change existing rules. Both, central/local government considerations and government coalition/opposition concerns (the more parties that can be actors, the more concerns) must be taken into account when designing processes of institutional change and evaluating their likelihood of success. Because the final government initiative outlining the new powers and attributions to be granted to CORE and regional governments have not been announced, it is impossible to determine what bureaucracies and interests in the national government will be adversely affect by the legislative initiative. Thus, at this time we are ignoring the considerations over what potential central/regional government conflicts might arise with this new reform. Concerns over the electoral costs and benefits for those parties involved are easier to identify in advance. Depending on what electoral rules are used, how districts are drawn and apportioned and on other electoral rules, there will be parties that might benefit from the institutional design changes and others that will not benefit.

In what follows, we report some simulations we conducted, following standard approaches, <sup>16</sup> to test what would have happened if the COREs were elected concurrently with the municipal councils in the most recent municipal elections in the year 2000. Although we are aware that we are utilizing strong assumptions, we use those results because they represent the closest approximation we have to simulate what would have happened in the composition of the COREs if those bodies had been directly, rather than

<sup>&</sup>lt;sup>14</sup> The much announced reform will likely make it easier for the central government to create divide or merge existing regions into new ones.

<sup>&</sup>lt;sup>15</sup> 2124 council members were elected in Chile's 341 municipalities in October 2000. While there are 38 elected senators, 120 deputies and 341 mayors, there is a much larger number of council members than CORES (244). Apparently, the government's objective is that the number of CORE members not be substantially larger than the number of city mayors.

<sup>&</sup>lt;sup>16</sup> See Benoit and Schiemann (2001), Kaminski (1999) and Kaminski, Lissowski and Swistak (1998)

indirectly, elected in 2000. Naturally, we are assuming that voters would have voted for the same parties/coalitions in the CORE election as they did in the municipal election. There is strong evidence to suggest that many voters (but still a significant minority) split their tickets in other elections (senatorial versus chamber of deputies contests, for example), but we here assume that voters would have supported the same coalitions of parties for the CORE election as they did for the municipal election.

The first simulation we conducted (Table 9) assumes the existence of ten 25member COREs and three 41-member COREs in the most populated regions. Two seats were assigned to each province regardless of their population and the rest of the seats were assigned in proportion to each province's share of the regional population. Table 9 reports the total number of CORE seats for each province, the % of votes obtained in the 2000 municipal election by the major political coalitions of parties and the % of CORE seats that each coalition would have obtained if CORE seats were assigned by d'Hondt proportional representation at the provincial level. At the bottom of the long table, the country and regional totals are reported. Table 9 shows that the *Concertación* would have obtained 59.3% of all the seats in the 13 regional COREs. With 52.1% of the national municipal vote, the Concertación would have benefited by the distortional effects of the d'Hondt seat allocation formula that tends to favor the party/coalition with the most votes. The conservative Alianza would have captured 39.1% of the CORE seats, a figure almost identical to its 40.1% share of the national vote. The Concertación won a majority or plurality of votes in 12 of the 13 regions in the 2000 municipal elections. The composition of the CORE, in this simulation, reflects that vote distribution as well. If COREs had been directly elected in 2000 and voters had cast ballots for the same parties as they did in the municipal election, the Concertación would have controlled 12 of the 13 COREs nationwide. 17

<sup>&</sup>lt;sup>17</sup> We are still collecting the information on the current composition of the COREs elected by the electoral colleges after the 2000 municipal election. We have also conducted a simulation taking the actual number of seats in each regional CORE and using the 2000 municipal elections. Those results are almost identical to the simulation results reported in Table 9.

Table 9. Simulation 1. CORE Composition Simulation, Based on 2000 Municipal Election Results (25 and 41-seat CORES, Minimum of 2 seats per Province)<sup>18</sup>

	n Results (25 and 4	Jour		.~, 1,1111		_ 5000	Per I I O	, 11100)	
Prov Seats	Province (Region)	Values	PH	PC	Alianza	UCCP	Concert acion	Indepen dents	Valid Votes
11	Arica (I)	vote %	2.11	8.31	44.78	0.27	44.53	0	72442
		seats %		9.09	45.45	0.00	45.45		11
2	Parinacota (I)	vote %	0.56	0.73	49.31	0.68	46.68	2.04	4259
		seats %			50.00		50.00		2
12	Iquique (I)	vote %	0.21	1.30	38.10	0.60	57.43	2.36	88725
		seats %			41.67		58.33		12
4	Tocopilla (II)	vote %	0.00	11.07	35.07	3.80	45.95	4.11	15752
		seats %			50.00		50.00		4
8	El loa (II)	vote %	2.77	1.91	19.58	0.00	72.71	3.03	54467
		seats %			12.50		87.50		8
13	Antofagasta (II)	vote %	0.63	2.79	25.52	0.19	70.88		109402
		seats %			23.08		76.92		13
5	Chañaral (III)	vote %	0.00	18.81	19.32	1.66	57.45	2.77	14095
		seats %		20.00	20.00		60.00		5
13	Copiapó (III)	vote %	0.45	4.46	34.27	0.00	60.82	0.00	58337
		seats %			38.46		61.54		13
7	Huasco (III)	vote %	0.15	2.11	32.82	0.00	64.37	0.55	32252
		seats %			28.57		71.43		7
13	Elqui (IV)	vote %	0.09	3.13	27.43	3.46	65.20	0.69	141526
		seats %			30.77		69.23		13
7	Limarí (IV)	vote %	0.29	11.89	36.32	0.00	50.67	0.83	67850
		seats %		14.29	42.86		42.86		7
5	Choapa (IV)	vote %	0.15	10.56	26.59	0.00	62.70	0.00	36386
		seats %			20.00		80.00		5
3	Petorca (V)	vote %	0.00	16.89	43.87	0.00	37.84	1.40	36059
		seats %			66.67		33.33		3
3	Los Andes (V)	vote %	0.34	3.85	39.81	0.00	45.86	10.14	43762
		seats %			33.33		66.67		3
5	San Felipe (V)	vote %	1.60	2.71	52.10	1.67	41.34	0.58	61713
		seats %			60.00		40.00		5
6	Quillota (V)	vote %	3.52	2.65	42.97	4.87	45.83	0.15	109904
		seats %			50.00		50.00		6
18	Valparaíso (V)	vote %	0.55	4.77	41.39	1.58	49.22	2.47	389642
		seats %			44.44		55.56		18
4	San Antonio (V)	vote %	0.48	8.31	26.72	4.19	58.89	1.42	68938
		seats %			25.00		75.00		4
2	Isla de Pascua (V)	vote %			28.16	7.14	64.70	0.00	1456
		seats %			0.00		100.00		2
24	Santiago (XIII)	vote %	1.41	4.81	44.64	0.64	47.94	0.56	2002548
		seats %		4.17	45.83		50.00		24
3	Chacabuco (XIII)	vote %	5.97	5.79	37.34	0.43	49.82	0.65	45993

<sup>18</sup> Some of these simulations were originally reported in Fernández et al. (2001). We reproduce them there here because they were the work of Navia and López within the Fernández et al. team.

		coeta 0/			22.22		66 67	0.00	3
4	Cordillera (XIII)	seats % vote %	1.67	3.70	33.33 46.35	2.03	66.67 44.55	0.00	121498
4	Cordillera (AIII)		1.07	3.70		0.00	50.00	0.00	4
4	Maipo (XIII)	seats %	7.26	2.71	50.00 35.71				146189
4	Maipo (AIII)	vote %	7.36	2.71		0.10	51.63	2.50	4
2	Malinilla (VIII)	seats %	0.46	1.06	50.00	0.20	50.00	2.06	1
3	Melipilla (XIII)	vote %	0.46	4.06	39.36 33.33	0.20	52.85 66.67	3.06	63955
3	Tologonto (VIII)	seats % vote %	0.21	3.14	45.20	0.66	50.80		89602
3	Talagante (XIII)	<b>.</b>	0.21	3.14		0.00			3
15	Cochonool (VI)	seats % vote %	0.83	3.82	33.33 37.43	3.08	66.67 52.65	2.18	249030
15	Cachapoal (VI)	seats %	0.63	3.62	40.00	3.06	60.00	2.10	15
7	Colchagua (VI)	vote %	0.54	12.14	31.26	1.80	49.09	5.17	96396
,	Colchagua (VI)	seats %	0.54	14.29	28.57	1.60	57.14	3.17	7
3	Cardenal Caro (VI)	vote %	0.00	1.38	30.21	8.72	58.32	1.37	23656
3	Cardenai Caro (VI)	seats %	0.00	1.36	33.33	0.72	66.67	1.37	3
7	Curico (VII)	vote %	0.66	2.27	42.60	1.06	51.10	2.31	116553
,	Curico (VII)	seats %	0.00	2.21	42.86	1.00	57.14	2.31	7
8	Talca (VII)	vote %	0.26	5.02	44.54	0.25	49.83	0.10	150851
0	Taica (VII)	seats %	0.20	3.02	50.00	0.23	50.00	0.10	8
7	Linares (VII)	vote %	0.00	3.86	42.52	0.43	52.67	0.52	125795
,	Linares (VII)	seats %	0.00	3.00	42.86	0.43	57.14	0.52	7
3	Cauquenes (VII)	vote %	0.00	0.47	59.22	0.11	40.21	0.00	32464
	Caaquenes (VII)	seats %	0.00	0.17	66.67	0.11	33.33	0.00	3
10	Ñuble (VIII)	vote %	0.00	1.72	30.29	2.08	62.66	3.25	206885
10	Tradic (VIII)	seats %	0.00	11,72	30.00	2.00	70.00	0.20	10
8	Bío-bío (VIII)	vote %	0.00	1.40	48.32	0.00	47.92	2.35	161600
		seats %			50.00		50.00		8
18	Concepción (VIII)	vote %	0.00	5.96	29.89	0.22	61.92	2.00	400701
	•	seats %		5.56	27.78		66.67		18
5	Arauco (IX)	vote %	0.00	5.77	32.53	0.05	56.75	4.91	69248
	, ,	seats %			40.00		60.00		5
7	Malleco (IX)	vote %	0.00	1.12	41.89	2.98	52.51	1.50	100330
		seats %			42.86		57.14		7
18	Cautín (IX)	vote %	0.00	1.09	45.35	0.36	51.26	1.95	282619
		seats %			44.44		55.56		18
7	Valdivia (X)	vote %	0.00	1.32	42.39	0.69	53.26	2.34	159265
		seats %			42.86		57.14		7
5	Osorno (X)	vote %	0.00	2.94	37.81	7.50	51.38	0.38	103534
		seats %			40.00		60.00		5
7	Llanquihue (X)	vote %	0.00	1.46	34.26	3.66	58.34	2.28	121546
		seats %			28.57		71.43		7
4	Chiloé (X)	vote %	0.00	3.34	43.00	1.48	50.81	1.37	63163
		seats %			50.00		50.00		4
2	Palena (X)	vote %	0.00	0.22	47.40	2.55	46.75	3.08	8603
		seats %			50.00		50.00		2
11	Coihaique (XI)	vote %	0.00	1.65	48.56	1.45	45.26	3.09	20646
		seats %			54.55		45.45		11
8	Aysén (XI)	vote %	0.00	1.17	65.84	3.09	27.61	2.29	11175

		seats %			75.00		25.00		8
3	G. Carrera (XI)	vote %	0.00	2.70	40.27	9.27	43.57	4.19	4035
		seats %			33.33		66.67		3
3	Capitán Prat (XI)	vote %	0.00	0.00	49.15	1.41	47.46	1.98	1770
		seats %			66.67		33.33		3
4	Últi Esperanza (XII)	vote %	0.00	0.15	25.20	6.52	63.24	4.89	9357
		seats %			25.00		75.00		4
16	Magallanes (XII)	vote %	0.00	2.35	26.93	0.00	70.56	0.16	51320
		seats %			25.00		75.00		16
3	T. Del Fuego (XII)	vote %	0.00	3.94	39.17	0.00	56.89	0.00	3735
		seats %			33.33		66.67		3
2	Antártica (XII)	vote %	0.00	0.00	25.98	0.00	71.79	2.23	897
		seats %			0.00		100.00		2

**Country Totals** 

	PH	PC	Alianza	UCCP	Concertación	Independ	Valid Votes
Nat'l Total	60096	270512	2587493	77688	3361470	94667	6451926
Vote %	0.93	4.19	40.10	1.20	52.10	1.47	100
Seat Total	0	6	146	0	221	0	373
Seats %		1.61	39.14		59.25		

Seat Distribution by Party/Coalition by Region

Region	PH	PC	Alianza	UCCP	Concertación	Independ	Total
Tarapacá	0	1	11	0	13	0	25
Antofagasta	0	0	6	0	19	0	25
Atacama	0	1	8	0	16	0	25
Coquimbo	0	1	8	0	16	0	25
Valparaíso	0	0	18	0	23	0	41
Metropolitana	0	1	18	0	22	0	41
O'Higgins	0	1	9	0	15	0	25
Maule	0	0	12	0	13	0	25
Bio Bio	0	1	14	0	26	0	41
Arauncanía	0	0	11	0	14	0	25
Los Lagos	0	0	10	0	15	0	25
Aysén	0	0	15	0	10	0	25
Magallanes	0	0	6	0	19	0	25
TOTAL	0	6	146	0	221	0	373

Because the representation of less populated provinces will likely be an issue in the discussion over the composition of the COREs and the allocation of seats to each province, we conducted two additional simulations using the 2000 municipal election results. Simulation 2 (Table 10) reports the national and regional results assuming that each province will have a minimum of three seats in the regional CORE. Ten 25-seat and three 41-seat COREs were also used for Chile's 13 regions. Simulation 3 (Table 11) reports the results assuming a 4-seat minimum per province. The final results would not change significantly. The Concertación would have still controlled 12 of the 13 COREs, but it would have faired slightly better under a 4-seat minimum per province than under a 3-seat minimum.

There are obviously some considerations that need to be present. There is a higher likelihood that more parties will compete in elections where the district magnitude (the number of seats elected in each district) is larger. As Cox (1997) and Taagapera and Shugart (1993) have shown (following Duverger's intuition), the number of parties that exist in a country can be explained as a function of the electoral rules in place. Although Cox (1997) suggests that the district magnitude only represents an upper bound for the number of parties, the fact that a higher district magnitude exists (and a lower threshold is needed to secure one seat) will provide incentives for parties to consider alternative options and for independent candidates to consider running. Naturally, voters will also face different considerations when the incentives and institutional design features change. Still, the two additional simulations conducted are helpful to indicate that the minimum number of seats guaranteed to every province can have more to do with intra-regional decentralization concerns than with fears over short term electoral gains by the two major political coalitions.

Table 10. Simulation 2. CORE Composition Simulation, Based on 2000 Municipal Election Results (25 and 41-seat CORES, Minimum of 3 seats per Province)

**Country Totals** 

				i			
	PH	PC	Alianza	UCCP	Concertación	Independ	Valid Votes
Votes Total	60096	270512	2587493	77688	3361470	94667	6451926
Votes %	0.93	4.19	40.10	1.20	52.10	1.47	100
Seats Total	0	6	149	0	218		373
Seats %		1.61	39.95		58.45		

Seat Distribution by Party/Coalition by Region

Scat Distribution by 1 arty/Coantion by Region								
Region	PH	PC	Alianza	UCCP	Concertac	Independ	Seats	
Tarapacá		1	11		13		25	
Antofagasta			6		19		25	
Atacama		1	7		17		25	
Coquimbo		1	8		16		25	
Valparaíso			19		22		41	
Metropolitana		1	19		21		41	
O'Higgins		1	9		15		25	
Maule			12		13		25	
Bio Bio		1	14		26		41	
Arauncanía			11		14		25	
Los Lagos			11		14		25	
Aysén			15		10		25	
Magallanes			7		18		25	
TOTAL	_	6	149		218	_	373	

Table 11. Simulation 3. CORE Composition Simulation, Based on 2000 Municipal Election Results (25 and 41-seat CORES, Minimum of 4 seats per Province)

**Country Totals** 

	PH	PC	Alianza	UCCP	Concertación	Independ	Valid Votes
Nat'l Total	60096	270512	2612307	77688	3396274	94667	6515574
Vote %	0.93	4.19	40.10	1.20	52.10	1.47	100
Seat Total	0	4	148	0	221	0	373
Sseats %		1.07	39.68		59.25		

Seat Distribution by Party/Coalition by Region

Region	PH	PC	Alianza	UCCP	Concertac	Independ.	Total
Tarapacá	0	0	12	0	13	0	25
Antofagasta	0	0	6	0	19	0	25
Atacama	0	1	7	0	17	0	25
Coquimbo	0	1	8	0	16	0	25
Valparaíso	0	1	17	0	23	0	41
Metropolitana	0	0	19	0	22	0	41
O'Higgins	0	1	9	0	15	0	25
Maule	0	0	12	0	13	0	25
Bio Bio	0	0	15	0	26	0	41
Arauncanía	0	0	11	0	14	0	25
Los Lagos	0	0	11	0	14	0	25
Aysén	0	0	14	0	11	0	25
Magallanes	0	0	7	0	18	0	25
TOTAL	0	4	148	0	221	0	373

### **Conclusions**

Although the government has yet to send its legislative initiative that will seek to foster decentralization by changing the way in which COREs members are chosen for their positions, some preliminary institutional design problems and challenges can already be identified and anticipated. By addressing those challenges and potential problems, the government initiative might stand a better chance of success and, more importantly, it might turn out to more efficient help facilitate the objectives of the decentralization efforts undertaken by the Chilean State in recent years.

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