Abstract

This research paper proposes a comparative analysis of the influence of the World Bank and the Inter-American Development Bank in the processes of state reform in two Argentine provinces: Salta and Cordoba. The objective of the paper is to analyze the role of these multilateral organisms in the processes of State reform at subnational level, inserting this analysis within the framework of the intergovernmental relations in Argentina since the beginning of the 1990s. With this objective, the comparison is concentrated on two different cases concerning the timing (sequencing) of the reforms, political relations with the national government, and the type of relations constructed with these multilateral banks. The main argument of the comparison is that the interaction of political and financial variables is critical for explaining the type of relations that are established between the MBD, the national government and the provinces. Indeed, we try to show that the MBD are actors who enter in the game of the IGR in Argentina and that in that process they become one of the elements of the negotiation between the national government and the provinces.
1. INTRODUCTION

How much influence do Multilateral Development Banks (MDB) exert on domestic decentralization policies? This question is present in an extended portion of the literature on the subject, especially in those studies that focus in the Latin-American context. In this region, the intergovernmental relations (IGR) have experienced a wave of substantial transformations starting with the decentralization policies applied from the decade of 1980 by different national governments. In this sense, diverse authors agree in underline the very limited influence of the MDB on decentralization processes in the region (Montero and Samuels, 2004; Falletti, 1999; Manor, 1999) and attribute to other causes the explanation of these policies and, consequently, the transformations of the IGR[1].

Nevertheless, it is certain that the intergovernmental dimension has been a main component of the State reform and state modernization processes in Latin America, and in that sense the MDB have had an increasing protagonism. Certainly the MDB didn’t conditioned in a deterministic manner the decision making on decentralization processes, but they are actors who have played a key role in these processes. I argue that MDB have played in these processes a key role, not as sufficient cause but as a necessary one, especially once the decentralization process has begun. The processes of decentralization in Latin America have meant a transformation in the intergovernmental relations of each country, particularly concerning the fiscal and the administrative dimensions of decentralization, and these dimensions have been of great importance for the activity of MDB. In short, this paper analyses the role of these multilateral organisms in the processes of State reform at the subnational level in a federal country like Argentina, from the comparison of two provincial cases[2]. With this objective, the comparison is concentrated on two provincial cases (Cordoba and Salta), that are different in three dimensions: their relations with the national Government; the type of relations that they have developed with the MDB; and the sequence of reforms.

In this sense, this work shows that the interaction of the political and financial variables is central to explain the type of relations that are settle down between MDB, national Government and Provinces. The situations of fiscal crisis and/or intergovernmental political conflict have represented, in the cases analyzed here, key moments for the multilateral financing of reform programs. Secondly, that the political variable is a central variable to explain the orientations of the MDB towards the provinces, and the subnational
strategy that MDB negotiate with the national Government. Thirdly, that the relation between the three actors is an exchange relation, in which each one obtains its benefits, and strategically develops the use of its resources. In this sense, it is very important to observe in a comparative way how the provincial Governments constructs their own strategies to use MDB’s resources as a part of their reformist strategies.

Finally, I argue that the MDB are actors that enter in the IGR game in Argentina, and that in that process their resources become one of the elements of the negotiation between the national government and the provinces. In this sense, to recognize the political character of the decentralization process and the configuration of the IGR, following the most recent literature, force us to review the participation of MDB in the reform and decentralization policies [3]. Thus, this paper is structured in three parts: first, I describe the way MDB constructed their perspective on subnational policies and on IGR, in general and in the Argentine case; secondly, I proceed to the comparative analysis of the two provincial cases; and thirdly, I reorganize, as a conclusion, the main axes of the comparative analysis.

2. MDB AND THEIR APPROACH OF THE SUBNATIONAL QUESTION

Certainly, the subject of decentralization enters clearly in the agenda of the World Bank and the IADB just by the beginning of the 1990s, when the process was already advanced, and in the post Washington Consensus context. Previously, during the structural reforms, the subject of the decentralization was not a central, safe subject with regard to the intergovernmental fiscal relations[4], and to the impact that this subject had on the fiscal balance and the support of the reforms.

In the Argentine case, as we will see in this point, the issues of decentralization and of IGR appear in the agenda of the MDB with the national Government in the first half of the 1990s, with a strong accent on the problem of fiscal management. Anyway, the provincial approach gained momentum in the MDB’s Argentinean agenda from the mid of the 1990’s and this meant the development of different working strategies towards the provinces.

2.1. An opportunity and an adaptive process
It is important to stress here that the approach of the World Bank to IGR issues in Latin America is clearly a learning process. In other words, the WB approach start to materialize from the moment when the subject gained importance at the interior of the Bank, and when it starts being perceived like an opportunity to develop new type of projects. In a work dedicated to apply international lessons to the Mexican case, WB top officials (Giugale et al, 2000) state that decentralization has very important effects in diverse areas: from the macroeconomic stability to the diminution of the poverty; from the benefit of social services to the quality of governmental management. Still more important, they affirm that since in all dimensions the decentralization process is a progressive and incremental process, a good strategy requires of a suitable institutional framework (Giugale et al, 2000)\(^5\).

Certainly, this seems to be the final point of a process that began with a vision of the question of IGR focused on the problem of the fiscal balance in federal countries. As it indicates Falletti (1999), towards the end of the 1980s the WB had only produced two Reports on this theme, and no one of them focused in Latin America\(^6\), although the decentralization process was already advanced in the region. It is just in 1988 that appears the first works on the subject for Latin America\(^7\), as well as the development of projects on local scale (Falletti, 1999).

However, through the middle of the 1990s the WB consolidates a more “realistic” view on the achievements and limits of the decentralization process. This revision was based mainly on the growing experience that WB officials were developing on the field. A very representative work of this moment is the one of Proud’ Homme (1995), that underlines the limits of the process. Another important series of studies will also give substance to the process\(^8\), among them, the work of Manor (1999) that discusses some previous postulates of the WB on the subject\(^9\).

Concerning the IADB, also this MDB has experienced an evolution in its vision on the decentralization process, and IGR configuration. Staff members of the IADB in this area published a recent revision on decentralization (Daughters and Harper, 2007), according to which the first stage was marked by the political decentralization from mid of the 1980s during the democratic transition in the region. This democratization generates new decentralization demands from the local authorities to obtain more resources and responsibilities to satisfy their electorates. These authors emphasize the conflictive character of the process of fiscal decentralization, and the two visions that they distinguish around this process. One, addressed mainly by the national ministries of economy, that states that the decentralization could contribute to the process of structural adjustment. However, the
experience showed the difficulties of the macroeconomic control with decentralized fiscal IGR. A second vision appeared towards the end of the 1990s, when the national ministries of economy became more cautious one the processes of decentralization (Daughters and Harper, 2007). Clearly, these two visions can be identified at different moments in the Argentine case, in particular concerning the problem of the control of the deficit during the structural reforms of the 1990s.

Indeed, the decentralization areas on which the activity of the MDB will be focused in Latin America, respond mainly to the fiscal decentralization, and to the administrative decentralization and their consequences. The first dimension is critical during the processes of macroeconomic reforms, and an important part of the work of both MDB was directed to this issue, even though with different characteristics and sequences. The second subject, deserves an important development of multilateral programs since according to own MDB one of the problems that appear as consequence of the decentralization is the weak institutional capacity of the subnational governments to become position of the responsibilities transferred in the matter of provision of public goods (Daughters and Harper, 2007).

2.2. MDB and the IGR in Argentina during the 1990s. The federal conflict and the control of the fiscal deficit

From the assumption of the Alfonsin’s democratic government in 1983 the World Bank and the IADB began to recover their presence in Argentina. Nevertheless, this is not translated in a significant presence in terms of the financial aid of these organisms. Towards the end of the 1980’s the relations between the national Government and the WB were deteriorated and no new loans were granted (Botzman and Tussie, 1991).

The negotiations with the WB are reestablished from the beginning of the presidency of Carlos Menem in 1989. They begin, at that time, to implement some measures connected to the Washington Consensus, as the adjustment policies and fiscal reforms, deregulation, privatizations, and decentralization of the economic activity. By the way, the question of political and fiscal relations with provincial governments, in the context of a federal structure like Argentina, was one of the central problems of the Government to control the macroeconomic and fiscal results of the reforms’ program. In this sense, the studies conducted at the time by the MDB (World Bank, 1990) indicated that the provincial public sectors were
responsible of a quite significant part of the global deficit of the Argentine public sector, surpassing the deficit of the National Government and the public companies\textsuperscript{10\textcircled{1}}. It is necessary, therefore, to understand the reforms promoted by the national Government in the Provinces during the 1990s as one of the key elements of the game of federal fiscal relation and their negotiation \textsuperscript{11\textcircled{1}}. Therefore, in the fiscal agreements that are going to follow one another throughout the decade, the promoted administrative reforms in the provinces were theoretically a fundamental condition to improve the provincial fiscal balances. In definitive, these agreements aimed to structure schemes of fiscal incentives articulating the reforms with the problem of subnational budgetary deficits, the management of the indebtedness level, the control of the level of public expenses, and the agreement for the federal fiscal transfers.

Thus, among other measures, from the beginning of the 1990s the national Government established a policy to urge the provinces that adhere to the same type of reforms that were implemented at the national level, in particular the modernization of budgetary systems, the privatization of public companies and public banks, the liberalization of provincial economies, the transference to national jurisdiction of the province’s social security funds, the reduction of the number of public employees, and some reforms to harmonize the fiscal structures and tax (Vetter, 1997). All these measures, that had like primary target the reduction of subnational budgetary deficits and the support of national reforms, were negotiated by the national Governments with the provinces in two important fiscal pacts, signed in 1992 and 1993\textsuperscript{12\textcircled{1}}. According to these agreements, the provinces that signed the pact enjoyed some advantages with respect to the system of federal co-participation of taxes and the support of the National Government and the MDB to implement the reforms. In effect, it is in this situation that the national Government obtains the support of the MDB to finance and to organize reforms in the provinces, destined to reach the fiscal objectives fixed at the national level.

However, this process of reform had like consequences, among others, a deep modification of the relations between the National State and the provincial States, had mainly to that one of the central axes of this process of reforms consisted of a decentralization policy that transferred to the provincial Governments new responsibilities of management of public policies (mainly in the areas of health and education). A very demonstrative indicator of this change is the growth of relative importance of provincial public expenses in relation to the national level, and also the budgetary importance of these States (Ozslak, 2000). Thus, in the
policy agenda post-decentralization appears a double problem: the fiscal capacity and the bureaucratic capacity of the provincial States to assume the new decentralized functions.

### 2.3. A progressive approach of the MDB towards the provinces

On this background, the question of the rationalization of the provincial States became a very important problem in the diagnoses of the MDB. For example, the “Country Document” of 1996 of the IADB for Argentina established three central sectors for its 1996-1999 strategy: the deepening and the consolidation of the reform and the modernization of the State at national level and the extension of the process at the provincial level, the reduction of the poverty and the extension of the social programs, and the increase of the competitiveness and productivity of the exporting sectors (Inter-American Development Bank, 2001).

Thus, in this period, the MDB granted the first operations destined to the provinces, those that have been organized with the intermediation of the national Government and the transference of the resources to the provinces. The agreement of these loans responded to a strategy shared between the MDB and the national Government concerning the programs to be implemented in the provinces, oriented themselves in a great part to strengthen these public sectors (Lucioni, 2003).

The first program of provincial reforms implemented during the 1990’s, and certainly one of most important, is the one that were known like “Provinces I", or Program of Financial Adjustment and Economic Development of the Argentine Provinces, cofinanced by the IADB and the WB. This program was very important because it tried to lay the foundations of the reforms that had to take place during this decade in the provinces. Soon, the national Government developed a new program, complementary to the fiscal Pacts of 1992 and 1993. This program, known as the Program of Provincial Reforms (PREP), was organized around a fund constituted by three “parts”. On the one hand, resources of the WB, on the other hand extraordinary resources coming from privatizations and other resources, and in third place a dynamic fund with the resources of the program that the provinces would begin to reimburse.

On the other hand, from 1995, is obtained the renovation of the Program Provinces I under the name of Provinces II, formally Program of Desarrollo Provincial (PDP). This program maintains the same logic that his first version, and tries to deepen in its projects of investment, but this time without the participation of the IADB, but only with the financing of
the World Bank. The strategy that supposes this program is the one to stabilize the public property of the provincial Governments and to begin the reform of its administrations, at the same time that to provide financing for the most urgent investments connected to the reforms (World Bank, 1995).

These programs were administered by Ministry of the Interior, whereas the Ministry of Economy begins to apply programs that did not have the logic of projects but the one of results, that is to say, adjustment programs destined to deepen the fiscal reforms. In the first place a program of privatization of the provincial public Banks, financed at the same time by the WB and the IADB. This program tried to attack one of the pillars of the fiscal problem of the provinces, since these public Banks operated like fiscal financiers of déficits of their respective provinces.

From this experience of privatization of the provincial Banks, the Ministry of Economy begins to organize with the World Bank the first direct loans of adjustment to the provinces that were known like Provincial Reform Loans (PRLs). One is a specific and much more selective loan, for which some provinces were chosen according to some criteria in individual. A budgetary criterion was financier, that is to say, the participant provinces were chosen by their capacity of reimbursement; and on the other hand, there was a political selection according to which the loans were distributed between provinces “allied” to the national Government and provinces governed by the opposition. The scheme worked this way in the first version of the loan in 1997, when they took part Salta, San Juan, Rio Negro, and Tucumán.

Really, the loans would be available for provinces that: had introduced significant structural reforms in terms of the size of the provincial State and the privatization of most of the companies and public banks, who had accepted to transfer their social security funds to the Nation, and which they had demonstrated the capacity and political commitment to deepen the reforms. Thus, a central dimension in the election of the provinces, at least for the WB, was the leadership of Governors concerning the propose reforms (World Bank, 2000)

According to the analysis of the WB, this loan is a fixed point in a progressive task of approach towards the reform in the provinces. The first generation of operations was the one of the programs Provinces I and II, which they were multisectorial operations that covered to all the provinces, financing institutional fortification and investment for fiscal reforms in the provinces that had good credit profile (World Bank, 2000). Finally, once begun this method of more direct relation with the provinces, the WB and the IADB begins to give
“direct” loans\footnote{18} to some provinces, according to certain criteria of the national Government and the MDB.

For the MDB, certain provinces represented a very important challenge to test their diagnosis, because of the impact of such Provinces on the problems of federal fiscal balance. In addition, the MDB were interested in eliminating the bureaucracy of intermediation with the Provinces represented by the organized central Executive Units in the scope of the national Government. In this sense, from mid of the 1990s the MDB had emphasized that the implementation of the projects in the Provinces was not made in a fast and satisfactory way because, mainly, of complex a legal and administrative relation between the national Government and the provinces (Inter-American Development Bank, 2001). In this sense, with the direct loans to the provinces, the MDB control in a more concrete way and next the execution of the projects, working directly with the Units Executors to provincial level. On the other hand, when working with the provinces the MDB manage to diversify their portfolio of potential and effective loans, and at the same time, obtain a somewhat greater degree of independence in the election of the Provinces with which to work, looking to operate with a lower financial risk and with the best conditions of viability with regard to the implementation of the programs.

3. **The Relations with Subnational States: Two Compared Cases**

In this point, we took two provincial cases that have developed a type of narrower relation with the MDB, as they are Cordoba and Salta. Nevertheless, these cases diverge in some important points for our analysis: first, they had differences concerning the political relations with the national Government; second, the sequence of reforms has been different, and this illustrates the weight of the political variable in the relation with the MDB and the national Government; third, they represent different characteristics concerning their political and economic weight in the Argentine federal scheme.

3.1. **Political conflicts with the national Government and delayed structural reforms: the case of Cordoba** \footnote{19}
From the return to the democracy of Argentina in 1983, Cordoba was during four consecutive periods (16 years) governed by the same party (Radical the Civic Union). In the middle of the decade of the 1990 the province is going to experience an important fiscal crisis, with political consequences, in spite of which it is going to maintain in a heterodox position respect to the national policies. With the political change by the end of the 1990s, a new cycle of reforms in the province and of relation with the MDB will be opened.

3.1.1. Cordoba and the opposition to the “structural adjustment” during the years ’90

The Governor Angeloz [20] was an important politician of the UCR, had been in addition the presidential candidate who lost the national elections against Carlos Menem in 1989. On this political context of the years 1990, at least during his first half, the provincial Government of Cordoba was against to many of the reforms that the national Government impelled in the provinces. In fact, the provincial Government had not signed the fiscal pacts of 1992 and 1993, nor accepted to carry out the transference to the national Government of the Government social security fund of the Province. In addition, the privatization of the more important public companies and the Banks had also been rejected public. At that time, the provincial State was the proprietor of the Company Provincial de Energía of Cordoba (EPEC), and of the Bank of Cordoba, among other provincial public companies.

This policy of “differentiation” in relation to the policies of reform impelled by the national Government also has coherence with the participation loss of the province in the multilateral financing available for Argentina in this period. In effect, during the 1990s Cordoba did not have but a level of relatively low financing with respect to the other Argentine provinces (Lucioni, 2003), that were only concentrated on some implemented infrastructure projects, mainly, by the national Government, and not on programs of state reforms[21].

In this sense, the IADB emphasizes in the report of the project of “Support to the Modernization of the State in the Province of Cordoba”[22] that its experience with the province of Cordoba, in special in that it concerns to the projects of institutional reforms, was very poor. Of fact, almost the totality (95%) of the bottoms that the province received in this period, was destined to infrastructure projects[23].
3.1.2. The effect of the political changes in the relation of Cordoba with the MDB

The “model” of opposition from Cordoba to the “national model” had begun to show the first half-full signs of crisis towards of the 1990s. The budgetary situation of the province of Cordoba had been characterized, from end of years 80, by an increasing fiscal deficit, motivated by a progressive increase of the level of public cost and a reduction of the level of tax collection (Nicolini et al, 2002). Consequently, the accumulation of budgetary deficits produced a level of relatively important public indebtedness\textsuperscript{241} financed, mostly, by credits of short term negotiated by the Bank of Cordoba (the provincial public Bank) (Nicolini et al, 2002).

In this difficult fiscal context, the crisis of the Mexican peso took place in 1995 (effect tequila) that impact strongly on the Bank of Cordoba, that began to show increasing difficulties to continue maintaining the budgetary deficit of the provincial State financially. Still worse, the State was forced to use its own resources to avoid breaks of the provincial public Bank. Another question important to explain the provincial fiscal crisis of 1995 is the one of the Fiscal Pacts not signed by the province until that moment, that resulted in a diminution in the amount of transfers by co-participation (Nicolini et al, 2002). In this way, in means of the financial crisis and as opposed to imminent provincial elections, the national Government took advantage of the situation to press the provincial Government, interrupting all possibility of financial attendance before the elections\textsuperscript{25}.

In a context of social and political agitation, the UCR maintained the Government, although this time into the hands of Ramon Mestre, an adept leader provincial but to negotiate with the national Government. Thus, the new Governor decided to sign some agreements with the national Government to obtain the financial resources that were retained in the Ministry of Economy of the Nation (Nicolini et al, 2002). In addition, the provincial Government took some measures from adjustment to leave the financial crisis, in individual the reduction of public employees, the reduction of the day of work for the public employees, the decentralization of the services from health to the Municipalities\textsuperscript{26}.

At the moment at which the change of provincial Government takes place, the new elect authorities asked for to the World Bank the shipment of a technical mission to the province to analyze and to diagnose the situation of the public administration and to elaborate some advice and proposals of reforms. Thus, the World Bank organizes a mission of multi-sectorial analysis that arrives at the province in October of 1995, three months after the change of government took place. This equipment I analyze the situation of the different areas
from the province, and participate in discussions of policies with members of the new government. The report that the equipment of the Bank prepared finally (World Bank, 1996) contained sectorial diagnoses of the situation of the provincial State, but it placed the accent on the challenges budgetary and fiscal of the province. The recommended reforms were divided between those of short term and those of medium term, having the general mission “to construct to a more agile and more efficient public sector for the benefit of the services public, in a context of fiscal balance” (World Bank, 1996).

Against this background, the acceptance of these proposals of reform by part of the provincial Government was relatively ambiguous. On the one hand, because the team of the new Government was not in agreement with some of the proposals, and on the other hand because some of the measures, in individual those of short term destined to fight the “fiscal emergency”, already had been implemented by the Government before they were advised by the WB, indeed, because of the urgency to fight this crisis, in individual the company/signature of the Fiscal Pact with the national Government. In other cases, the provincial Government made reforms on sectors advised by the WB, but not in the sense that this one proposed[27].

But without doubts, the point of more important discord was the one of the privatizations, and in individual the one of the provincial public bank. In fact, a such program of this type financed by the Bank was not going to take shape during this period of government. In addition, this preoccupation of the World Bank was consistent with its policy, and the one of the National Government, towards the provinces after the “crisis of the tequila” in which provincial public talk about to the privatization of the Banks, since we have emphasized it in the previous chapter. Evidently, the discord of the provincial Government on this “armor-piercing core” of the program proposed by the World Bank has returned nonviable a financing from this last one to a program of provincial reforms.

The relation of the Province of Cordoba with the MDB is going to change with the arrival to the power of a new provincial Government substantially. In effect, the Justicialista Party arrives at the provincial Government, for the first time from 1973, with the electoral triumph of Jose Manuel Of the Sota in the elections for Governor of 1999. This political fact serves us to show how the relations with the MDB can have incidence in the political-electoral processes at the same time provincial and national.

In 1998, in a political context in which President Menem looked for to qualify the possibility of a third mandate, the elections anticipated for Gobernandor in the province of Cordoba return to gain national protagonism. With this objective, Menem looks for to fortify
the candidacy to governor of Jose Manuel Of the Sota. Thus, one of the resources that the national Government used to cooperate with the campaign of the Cordoban Peronism was the one “to qualify” the contacts of the national Government with the MDB, specially with the World Bank, to initiate conversations in views to a possible change of Government in the province. In effect, the first conversations of the future Governor and some of their future civil employees with the civil employees of the World Bank and the IADB began already during the electoral campaign.

Certainly, the idea to work with the MDB to finance the raised projects of reforms was present in the team of the future Government already during the electoral campaign. Between these projects, some already were elaborated by the members of the field equipment of the future Governor, whereas others were formulated from proposals of the MDB rediscutidas with the future civil employees.

3.1.3. The provincial strategy and the triangular game of the political and financial negotiations

We cannot include/understand this change in the relations between the Cordoban Government and the MDB without considering, once again, the roll played by the third actor of this history: the national Government. With regard to the direct loans to the provinces, the function of the Ministry of Economy of the nation is mainly the one to control that the Province reunites the fiscal conditions necessary to receive the guarantee and endorsement of the National State. Soon, the inclusion of the project in the portfolio of we rendered for Argentina is basically decided in a political negotiation between the Governor and the national Government.

In the case of Cordoba, this political negotiation had already taken place before the national governmental change of 1999. Consequently, when the new national Government assumes the administration is whereupon the loans for Cordoba already “practically” were decided. According to the new national civil employees, these loans already were “inevitable”, and the problem is transferred, in the first place, to how conditioning these credits, and soon to how managing the portfolio of loans with the MDB. In this sense, the loans to Cordoba opened the possibility that the other “great” provinces requested similar loans, and the decided global portfolio with the MDB was not sufficient to satisfy these demands.
Consequently, the Ministry of Economy decides to negotiate with the MDB budgetary the fiscal conditions and that had to demand to him to the Province of Cordoba before signing the credits. In effect, knowing of its limitations to finance the reconstruction of the national debts of “the great” Provinces, and to control its fiscal performance indeed, the Ministry of economy took advantage of these instruments and the resource to the MDB to fulfill these objectives fiscal[29].

On the other hand, the provincial Government profit to structure its strategy of reforms and financing of the same ones, to start off to use of complementary way both we rendered direct obtained “in parallel” of the IADB and the WB (Lardone, 2004). The problem that considers here is that the World Bank, given the characteristics of the PRL, demanded the accomplishment of the reforms like previous condition to begin the payments. Consequently, the provincial Government had necessity of another financial attendance to begin to implement such reforms. Said of another way, to put in practice the reforms decided with the WB, it was necessary to have a “financial availability” which the Province did not have. For it, the provincial Government will use the loan decided by the IADB that, when being an investment loan, makes the payments in “real time”. An example can illustrate better east “mechanism”: one of the conditionality decided with the World Bank was the one to modernize the systems of financial management and budgetary formulation, for which it is necessary, among other measures, to acquire computer science equipment, for which the loan of the IADB is used, in which also east component of reform was included, and allows to make the payment in “real time”.

This allowed, in last instance, that the bottoms of the loan of the World Bank, once disbursed, did not have to be destined “to recover” the made investment, but that, thanks to its character of “free disposition”, could be destined to other high-priority objectives in the strategy of the provincial Government, like the reconstruction of the provincial national debt or the capitalization of the Bank of Cordoba. To the same time, the bottoms of the IADB would be destined to make the necessary investments for the “administrative modernization” and in individual for the construction of scholastic infrastructure and plans of houses.

3.2. Political continuity and structural reforms: the case of Salta[30].
From the return to the democracy in 1983 Salta it is governed by the Justicialista Party with the single exception of the period 1991-1995 in which the Government is exerted by the Party Renovador Salteño\textsuperscript{[31]}. With the beginning of the decade of the 1990s the province is going to experience a series on attempts to reduce the fiscal crisis of the provincial State produced by the expansion of the 1980’s. Nevertheless, these programs of state transformation are not going to materialize themselves until 1995 with the return of the PJ to the provincial Government, under the leadership of Juan Carlos Romero.

3.2.1. A political change, a frustrated reform

In 1991 the first elections of renovation were carried out during the presidential management of Carlos Menem, and such they were particularly significant to a great extent because a new distribution of the power in the provinces gambled. In the tense aggravated social situation by the deepening of electoral the economic crisis Salta harmed chances of the PJ. The PRS prevailed in the elections with 57% of the votes\textsuperscript{[32]}. One of the main members of the provincial Cabinet that it would assume in 1991, it raised, already in 1989, some of the main axes of the diagnosis on the situation of the provincial State. In its report (Guzmán, 1989) it maintains that, in the conditions of the moment, the public sector “constitutes one of the greater obstacles to send to the province by the way of the development\textsuperscript{[33]}”. Based on it it maintains that “the reordering and cleaning of the public finances happen inescapably through an examination of the causes that took to the Province to an almost assailable financial impotence to the cessation of payments” (Guzmán, 1989).

Thus, still without being a Government of justicialista extraction, this new Government is aligned quickly with the national Government and the reforms that this one promoted, being one of the first provincial governments in signing the fiscal Pacts of 1992 and 1993 with the national Government.

After a first one year on some attempts of partial reforms, that do not reach the waited for results, the renovador Government lance, at the beginning of 1993, a program of “deepening of the reform of the State”, that raise like immediate measures, the following ones: to declare in availability all the personnel of the provincial public administration; to summon to the unions of the sector for the revision of the different collective agreements from the provincial public sector; to organize a program of optional retirements; to modify the
regime of licenses of the public employee; to review the situation of the temp and transitory employees, and called to aid to cover the vacant positions with permanent plant; retirement of office for the personnel who reunites the conditions necessary to retire; all hiring of personnel, designation or administrative act are suspended that imply a commitment for the State\[34].

The important fact political of this program is that he himself was decided between the Government of the Province Salta, and the national Government, to traverse of the Department of the Interior, thus the national Government is committed to support the program of reforms. It is fundamental to consider that by means of this agreement the Department of the Interior is committed to facilitate the access of the province of Salta to the bottom for the transformation of the sectors provincial public, which constitutes one of the main landmarks of the strategy of transference of reforms towards the provinces implemented by the national Government with bottoms of the MDBs. But in addition, the agreement also establishes that the national Government will agree with the provincial Government on the mechanisms of participation of he himself in the negotiation and execution of the programs of structural reforms that are carried out to traverse of multilateral organisms of credit. On the other hand, the search of the support of the national Government also is explained by the necessity to overcome the blockades that the PJ of the province of Salta opposed the Government to him of the PRS. (Government of the Province of Salta, 1993).

According to the report of the provincial Government (Government of the Province of Salta, 1993) independent consultants with credits of the World Bank contracted themselves to elaborate with professional support specialized the diagnoses and preparation of documents to mobilize this task that “demands time, seriousness and efficiency”. In addition, Provincial Executor entrusts itself to him to the Unit that, within the framework of the program Provinces I, formulates a plan for the reconversion and the cleaning of the Bank of the Province and its later privatization. Nevertheless, the process of privatizations does not advance substantially during this period of government of the PRS, which had, at least partly, to the legislative opposition that the PJ made.

In effect, the most important data of this stage of the reform constitutes without a doubt the lack of political-institutional capacity of the Government to take ahead the raised measures. Most of these measures had to be made from Decrees of Necessity and Urgency\[35], dice the legislative opposition that tapeworm the renovador Government\[26].

3.2.2. The triumph of Juan Carlos Romero and the implementation of the structural reforms
In year 1995 the elections in which so much to Governor as to the President of the Nation was chosen the future, in addition to legislative positions in the national order took place as much as provincial. Certainly the situation was complicated for the provincial Government, whereas the national Government handled the “times” of the financial attendance. The FREJUVI, with Juan Carlos Romero in the first place, was dominated the PRS with 47% of the votes. Thus, the elect Governor began his management with own quorum in the parliamentary enclosure when adding 76% of the benches\textsuperscript{127}, the highest number from 1983.

The government assumes in a context of irresuelta provincial fiscal crisis, that justifies the effective implementation of the reform of the State, already delineated in his main outlines by the previous Government of the Renovador Party. In effect, the management of Romero deepens, makes specific and gives permanent character to the reform of the State, through a decree package of necessity and urgency\textsuperscript{128} (Vázquez, 1996), justified in the “situation of emergency” in which the province was received, and based on the legislation on the reform of the State that already we have commented.

Thus, the reform implemented as of 1995 attacks the main centers of the provincial fiscal problem. It includes/understands the privatization of the services state public and companies and the transference of the provincial Government social security fund to the Nation. The participation shareholder of the State in the electrical generation happens to deprived hands, privatizes the provincial Bank of Salta, the services of electrical distribution and the toilets. Parallelly, the road administrations and of irIGRation are reconstructed, and are terciarizados tie services to the state activity (Zapata, 2002).

On which this government advanced of drastic way and from the beginning he was on the bureaucratic reform reducing the plant of personnel of the Public Administration and diminishing the wages. On the one hand it was adduced that it was left the contracted ones outside that “they had been designated illegally” contravening the Law of Emergency of 1990, whereas on the other hand a program of reconversion of those employees begins who were excluded from the transformation of the functions and structures of the State (Vázquez, 1996).

3.2.3. The national Government, the MDB and the provincial strategy for reforms
As already there are it indicated, to the relations between the provincial government and the national government they had been already during first half of the 1990s of an important dimension of the structural reforms that they had been tried to implement in the province of Salta. As much in which it has to do with the company/signature of the fiscal pacts, like in the organization of programs of provincial reforms with bottoms of the MDBs administered by the national Government, the province of It Salta had had an important participation. In fact, the province of Salta had signed both fiscal pacts proposed by the Nation, had participated in the program Provinces I and had participated after the PREP by an agreement of reforms signed with the Department of the Interior since we have already shown. In the same way, the provincial Government participated in the program Provinces I already from year 1990, although he could not advance on the central reforms raised by this program. Without embargo, this served so that the province entered the scheme of multilateral financing of provincial state reforms, strategy that is going to be deepened, as we see, by the new government of the PJ.

With regard to the Program of the Reformation of the Provincial States, the Government of the Romero also manages to make specific the participation of the Province in he himself\[39\], although the Government of the PRS already had advanced with the company/signature in an agreement in this sense with the Department of the Interior. Finally, after one little substantial participation in the Program Provinces I, the province of Salta participates in the second version of the program, the Provinces II, that the national Government had decided with the WB in 1995, and that the provinces entered via the company/signature of a subsidiary agreement\[40\].

From these first experiences, the province of Salta is going to look for to establish more direct relations with the MDBs because, among other reasons, it recognizes the political and economic use that the national Government does of these resources.

The program of reforms made by the Province of Salta, sustained to a great extent by the PREP, allowed him to fulfill the requirements of eligibility to accede to new direct loans (World Bank, 2000)\[41\]. In 1997 the Province of Salta obtains one of the first direct loans of adjustment to provinces (PRL)\[42\] granted by the WB in Argentina. The WB weighed very specially sustainability of the provincial reforms, emphasizing the importance of the political continuity in the province to maintain these reforms, but in individual, the necessity to maintain the implementation of basic instruments of management like cadastre, financial administration, tax administration, that must contribute to consolidate the improvements in the fiscal performance (World Bank, 2000).
The motivations of the provincial Government to demand the attendance of the WB for their program of reforms are raised explicitly by the Governor in the “Letter of provincial reform”[43], when it emphasizes three main reasons: first, the importance of the financial support to resolve the costs of the reform; second, to received the technical and professional support of the personnel of the WB; third, the fact that the WB supports the program of reforms of the provincial Government gives confidence to the own Government and the investors deprived on the quality of the program of reforms of the Province.

This reformist performance of the province of Salta, is going to allow to him the province to consolidate its strategy of relacionamiento with the MDB. One of the central points of this strategy is the creation in 1997 of the Secretariat of Financing the International of the Province, that soon we will analyze at great length, and that allow the provincial Government to form a specialized bureaucracy in which it has to do with the processes of formulation of projects and negotiation with the MDBs.

Finally, this strategy consolidates with the obtaining of a direct loan of the IADB for the “Program of support to the integrated development of the sector tourism of the Province of Salta”[44] signed day 4 of December of 2003 between the Province of It Salta, and the IADB, with guarantee of the Argentina Nation. Also on the part of the IADB the importance of the trajectory is recognized of Salta in the made reforms and the institutional continuity to take ahead the decided projects. This also gives account of how the Province is structuring its own strategy of reforms using for it the resources that can obtain from the MDBs.

Since we already have I decipher, in one first stage, the Government of Juan Carlos Romero applied “the more urgent” measures of adjustment structural and that aimed to solve to the great “fiscal holes” causes of the imbalance. For this series of reforms the provincial Government resorted to the programs that existed at national level to support these reforms. These were programs financed by the MDB but gerenciados by the national Government. In which it has to do with the reconstruction of human resources and public administration the Government would use, since we have seen, the Program of Reforms of Estados Provinciales (PREP)[45] organized by the Department of the Interior, also with financing of the MDBC.

In one second stage of reforms, the provincial Government was constructing to his own strategy, using alternatively the oIGRinating resources of the different programs financed by the MDBs. One of the central axes of the strategy of the province was the institutional fortification and the modernization of the tie areas with the capacity of collection of the State. Another one of provincial the central axes of the strategy was the one of the reforms that they had to do with the budgetary management and therefore of the administration of the cost[46].
What is fundamental to include/understand the complementary way in which the province of Salta it uses the multilateral resources is that this series of reforms organized and implemented by the provincial Government does not comprise of a program of reforms decided with some the MDB, but that the province uses different programs to be making the different parts from the plan of reforms. In effect, the reforms in the matter of financial administration and of cadastre were made with resources of Provinces II, like the reforms in the RRHH management. However, the modernization of the DGR was not made with financing of the WB, but by means of a terciarización to the private sector. In the same way, many of the reforms that had been jeopardize through adjustment loan (PRL) that Salta obtained in 1997 were maintained simultaneously with bottoms of the program provinces II, like the one of the control of RRHH in the education area.

Finally, the game of the province is complete when it manages to operate also of direct way with the IADB being obtained the loan for the development of the tourist sector that we have commented previously. When being an investment loan in which a part of the bottoms of the program must be provided by the province, which remembered was to include in the matrix of the program a component of administrative reforms for which the province did not receive financing of the IADB but which they served to justify this percentage of bottoms in charge of the province.

4. SOME AXES FOR THE COMPARATIVE ANALYSIS

A very important question here is to identify the incentives that conducted the local and multilateral officials to become engaged in these reform programs. As we maintained at the outset, it is an exchange relation, in which each one of the parts uses the available resources to try to reach its own policy goals. In effect, for the MDB the case of Cordoba was an important challenge, since the province had rejected a substantial part of the reforms that they had impelled and supported in Argentina during the 1990s. On the other hand, the fiscal situation of the province had improved substantially with respect to the 1995 situation, with which Cordoba had become a “credit valuable” Province. Thus, we return to the question of the importance of “the great” provinces like Cordoba with respect to the problem of the national fiscal balance. On the other hand, since already we have indicated, the MDB were interested in eliminating the bureaucracy of intermediation with the Provinces
represented by the organized central Executive Units in the scope of the national Government (Inter-American Development Bank, 2001).

In the case of Salta, however, a very important incentive for the MDB, was the one to find provinces “reformist”, that beyond their weight in the national fiscal accounts, operated like successful examples of the reforms to be imitated by other provinces. Of the reading of different documents from evaluation of the operations of the MDB in It Salta is given off clearly this objective.

In general terms but, when working with the provinces the MDB manage to diversify their portfolio of potential and effective loans, and to he himself time, they obtain a somewhat greater degree of independence in the election of the Provinces with which to work, looking for to operate more with the financial risk under possible and with the best conditions of viability in which it concerns to the implementation of the programs.

Finally, it appears in scene “a political” objective that the MDB analyze at the time of being related to certain provinces, in individual by the profile of its Governors. In effect, the Governors are key actors of the Argentine policy, and those with greater “visibility” are considered, normally, potentials presidential candidates. If this is combined with a certain affinity between the Governor and some of the policies promoted by the MDB, the incentives for the relation are evident.

Evidently, in the case of both provincial Governments, the reasons are different. Firstly, the possibility of acceding to sources of financing advantageous for the development of its projects is one of the reasons most important to demand the attendance of these Organisms [49]. Nevertheless, the advantage for the provincial Governments is not only that related to the financing. The provincial civil employees also are conscious of the importance of working with the MDB in which it concerns to the technical attendance which they receive from these organisms, mainly with regard to the formulation and the putting in practice of the projects. In he himself sense, for the local authorities, to have the support of the MDB for its policy public also represents a question of “prestige”, in the sense of the “international qualification” that represents that a government program, and the provincial fiscal performance, is of certain “guaranteed” way by these organisms. On the other hand, it is fundamental to consider, with regard to the motivations of the local actors, who in some cases the intervention of the MDB in the provincial programs of government becomes “functional” for the implementation of measures that are resisted to the interior of the State or which they have an important “political cost”. This mechanism operates of very clear way in the relations between the Nation and the provinces, in individual in the case of Cordoba, where the WB
becomes a sort of ally of the National Government to control and to condition the fiscal performance of the Province.

In another sense, the sequence of the reforms and the intervention of the MDB in both cases, show clearly that many of the measures planned and executed by the provincial Government simply did not arise from agreements or programs negotiated with the MDB, but of the own strategy that the provincial Government had structured to respond to the challenges of the context. One is not which the MDB do not influence in the process. Very on the contrary, they are key actors of the process, providing with technical and financial resources to the provincial Government, and conditioning some of the reforms raised by the provincial Government. It is evident that this influence is limited by the political strategy fixed by the provincial Government, and by the use that it does of the available resources.

Thus, in both cases it appears a dynamics related to the fiscal crisis, and the importance of an economic diagnosis of the fiscal crisis of the State that prevails politically like condition to structure certain axes of reform promoted at national level by the national Government and the MDB. Also I identified the weight of the economic crises to explain certain political changes, and the use that different actors make of them to promote their objectives of reform (in particular the case of the tequila crisis, like in Cordoba). Finally, the financial and economic situation of the province is a strong conditioner to accede to the financing of the MDB.

Concerning the political variable, I demonstrate the importance of the political change like condition of possibility of the reforms. Anyway, this political change ties mainly with the question of the capacity of the government to overcome the vetoes to the reform. In effect, the difficulties in solving the crisis that demonstrates the Governments of Cornejo until 1991 and Ulloa up to 1995 are going to contribute decisively to their electoral defeats, and the access to the Government of the opposition. In this sense, the success of the Government of Juan Carlos Romero in swearing the fiscal crisis of the provincial State as of 1995 is not explained by a change in the diagnosis of the problem nor in the measures to apply, but by a change in the political ability and capacities of the Government (majority in the provincial legislature and absolute control of the PJ) to take ahead measures of state transformation that or “were installed” in the governmental agenda from the 1990s. Something similar happens in the case of Cordoba. In short, this paper illustrates the way in which the relations with the national Government and the MDB became a key dimension of the reform process implemented by the analyzed provincial governments.
NOTES

[11] Montero and Samuels (2004) maintain that the decentralization can be explained from the political decisions and of the political institutions. What the authors call the political determinants of the different patterns from decentralization (assuming that exists a variation between patterns and levels of decentralization in Latin America). Other authors try to measure this influence (Gonzalez, 2008), to demonstrate that the MDB do not condition the decentralization process.

[12] For this study we were based on two types of empirical sources: a series of interviews with civil employees of the MDB, and national and provincial actors; and a series of official documents of the MDB, like strategic documents of loans and documents, among others.

[13] As it shows to Teichman (2004) for another federal case like the one of Mexico, the different sectorial dialogues between the WB and the Government to it, I engage in a dialog on decentralization was but slow, partly because the internal pressures to decentralize came from competing state governments, who the government party (the PRI) was not arranged to fortify. The strategy of the Bank in this sense was the one to construct to supports and dialogues for the decentralization, and the one to be finding interlocutors (like for example, to contract distant Mexican technocrats of the Government) to generate projects of fortification of the administrative capacity in the subnational states (Teichmann, 2004). Another similar analysis of an important federal case is the one of Kirk (2005) on India.

[14] The fiscal IGR are of great importance for the performance of the public sector, not only in the macroeconomic management, but in addition in the provision to the services, and this always has been a point of interest and preoccupation in the glance of the WB on the subject (Tóth, 2007).

[15] According to Krisztina Tóth (2007), in its analysis on the WB in crisis, East Europe of Washington Consensus and the academic discussion on the fiscal federalismo in the theory and the practice I contribute to one better understanding on the part of the WB of the intergovernmental fiscal relations. This analysis puts light on the process of “learning” that the WB makes in this matter, and sample that the change in the agenda and the vision on the subject to the interior of the WB occurs from the developments in investigation on public finances, the discussions on economy of the development, and the accumulation of experience on the land that are producing the civil employees and officials of the WB.


[19] Like that according to which the decentralization of resources and responsibilities without incomplete serious democratic decentralization political and probably would not lead to effective social results. The critic of Manor (1999) goes here to the postulates of the report of the 1997 WB of which it stops to be effective the decentralization must occur the three types (administrative, fiscal and political), but that according to the report such tripartite coincidence rare time happens.

[20] As a result of the processes of change in the fiscal structure of the country, the national Government centered progressively his expenses in the social forecast, the systems of retirement and the services of the debt, whereas the provinces, on the other hand, made in the education and the health, and the municipalities in different urban services (Cetrángolo and Jiménez, 2004; Falletti, 2005; Bonvecchi, 2005). Nevertheless, this opened to a permanent dispute between the Nation and the Provinces, on the distribution of the bottoms for the financing of these services.

[21] In this sense, a series of circumstances caused that a stable institutional frame of distribution of the federal budgetary resources does not settle down, and that the agreements of distribution of these last ones must be discussed and be renegotiated of periodic way, according to the political and economic oscillations (Bonvecchi, 2005; Cetrángolo and Jimenez, 2004).

[22] First of these two pacts between the national State and provinces one signs the 12 of August of 1992, in the city of Buenos Aires, under the name of “Agreement between the national Government and the provincial Governments”. The second signs the 12 of August of 1993, also in the city of Buenos Aires, under the title of “Federal Pact for the Use, the Production and the Growth”.

[23] In order to accede to this program the Provinces they were committed to the application of a series of measures, many of tie them to the fiscal balances, but they had to also carry out reforms in the services of health and education, as well as privatizations. Against the total accomplishment of the objectives of each stage the payments took place , that were of free availability for the provinces.
The Mexican crisis of 1995 (“effect Tequila”) operated in Argentina like a flexion point so that the MDB incorporate of more active way to the provinces like a part of their strategy from financing to the country, which meant the concession of direct loans to the provinces, as much of adjustment as investment. In the case of the World Bank, it developed a specific type of adjustment loans destined to the provincial reforms, Provincial Reform Loan (PRL), equivalent to the structural adjustments destined the Nation. On the contrary, the IADB did not give adjustment loans to the provinces, and concentrated its direct loans to the provinces in form of investment programs (Lucioni, 2003).

For this program one obtained a loan of adjustment of the IADB (loan 865oc of 1995) by 750 million dollars and a loan of adjustment of the World Bank (1995 loan 3873) by 500 million dollars. In 1996, within the framework of the Country Assistance Review made by the WB, the national Government it raised the necessity of one second phase of provincial reforms, that helped the governors to increase the efficiency of the public cost, to reduce the size of its central administrations, to assure and to maintain the fiscal balance, to reduce to the stock of debt and its interests to controlable levels, and to obtain the responsibility, quality and fairness in the provision of the services public. Towards the end of 1995 the Argentine economy was recovering of the effects of the financial crisis of the tequila, and the importance of deepening the economic adjustment between the provincial governments had gained an important space in the reformist agenda of the national Government.

Between the justifications that the WB raises to develop specific programs but for certain provinces, is the fact that the programs Provinces I and II had been effective in “fortifying the weak technical capacity of the provincial governments and in introducing the idea of you compensate by the good fiscal performance”; nevertheless, they were not useful to provide financing to those provinces that they looked for to make deeper structural reforms (World Bank, 2000).

In fact one is we rendered directed to each province in individual, negotiated and formulated directly with the Provinces, but authorized and guaranteed by the National Government (Lardone, 2004).

The province of Cordoba is, after the province of Buenos Aires and of the City of Good Airs, the third Argentina province. It has a population of 3.1 million inhabitants (representing approximately a 8% of the total of the country), and has the GIP that represents, approximately, 8% of the national total. This gives to Cordoba a place him of superiority in the political scheme and economic federal of Argentina.

Angeloz was chosen Governor in 1983 and reelected for the first time in 1987. It was, in addition, candidate presidential of the UCR in 1989 and reelected Governor by third time in 1991.

For example, the Program “Provinces I”, administered by the Department of the Interior and Co-financed by the World-wide Bank and the IADB, had like objective to implement in the provinces “ coherent” reforms with the reforms implemented at national level. Nevertheless, if Cordoba were adhered to the Program well from year 1991, she only participated in the project for the modernization of the cadastr system.

One of both direct loans that Cordoba receives in 2000 from the MDB. The other is a PRL of the World Bank.


According to numbers of the World Bank, between years 1990 and 1994 the Cordoban provincial economy experienced a growth of 33% whereas the level of public cost in he himself period had increased a 95% (World Bank, 1996).

It is very important to consider that the elections for Governor of Cordoba of 1995 were made jointly with the presidential elections of that year, in which Menem was reelecto, by as the electoral importance of this district is evident, in terms of electoral weight, but also in political sense, by the opposition from the Province to the national policies.

Most of these measures were approved by the Provincial Legislature in July of 1995 within the framework of the “Law of Provinicial Emergency”.

For example, in the health area the provincial Government did not decide by the model of “health insurance” but on a deep decentralization of the management of the health towards the Municipalities. In the case of the reduction of the cost in employees public, the Government chose to make the adjustment reducing the labor day before to only reduce to the number of employees public. In other cases, the Government did not show his discord with the necessity of certain measures, but with the viability of his implementation, as the case of the transference of the Government social security fund to the Nation, measurement that was prohibited by the Provincial Constitution, and evidently, a reform of the Constitution were not “politically viable” at that moment.

The provincial government of the PJ coexists some months with a national government of he himself political sign, until towards 1999 ends the Justicialista Party loses the presidential elections against the Alliance formed by the UCR and the Frepaso, and the presidential spare part takes place in December of 1999.

The new National Government decides a third “Fiscal Pact” with the provinces (incl...
provided by the National Government. On the contrary, in the case of “the great” provinces the proposal was the one to establish negotiations with the MDB to finance such reconstruction (World Bank, 2001).

Located in the northwest of Argentina, this province is one of “the small” provinces in terms of population and participation in the national economy, since by his geographic location he has remained in the periphery of the zones of development land-exporter who obtained humid Pampas and the later industrializadores projects of the desarrollista time.

130] A provincial party led by Roberto Ulloa, ex-Governor of the province during the initiated military dictatorship in 1976.
131] Nevertheless, in the renovation of deputies and local senators, the PJ and the UCR maintained part of their volume of votes, which would mean that the PRS of Ulloa had to govern without having own majority in the provincial legislature. The PJ continued handling to the own quorum and 61% of the legislative banks. Also in the municipal elections the PJ prevailed in most of Intendance, with the exception of the capital.
132] From a detailed analysis of the provincial fiscal accounts Guzmán it describes the fiscal crisis of the provinces from the following diagnosis: hard increase of the public cost, crisis of the provincial bank, deficit of the decentralized organisms, problems of collection to generate a culture of nonpayment of debts, bad allocation of the public cost, collective agreements of the public sector, dependency of federal resources, low tax collecting capacity, excessive expenses in personnel, limits to the policy to expand the public cost from the indebtedness (Guzman, 1989)
133] By means of Law 6695 the labor emergency situation in all the scope of the public sector is declared until the 31/03/93 and it authorizes to the Executive authority to come to “functional reconstruction” of the provincial public administration, giving competitions him in the matter of mobility of the personnel, optional retirements, summaries, incompatibilidades, separation of agents. Others of the central measures of this program are the privatization or concession of certain organisms, among them, the Bank of the Province, the provincial Direction of energy.
134] This institutional instrument was incorporated to the provincial Constitution in the constitutional reform made in 1986.
135] An example of this opposition is that in December of 1991 the Executive authority makes the DNyU decision to lapse the appointments in the political plant and contracted, reducing the wage mass in 3,5 million weights; but this measurement is revoked by the Legislature that by Law arranges that the political plant and the contracted ones are reincorporados cesanteados (Government of the Province of Salta, 1993).
136] This overwhelming majority in the provincial legislative bodies was possible thanks to the institutional design of the electoral system that, after successive modifications from 1983, favored to the Justicialista Party, specially for the design of uninominales circumscriptions for the Senate. For a detailed analysis of the evolution of the electoral system salteño to see the work of Christian Höy Vargas (s/d).
137] The figure of Juan Carlos Romero appears then from now on like the central figure of this process, not only because it had managed to reorganize and to discipline to the PJ after his breaks of end of the 80, but because it had fulfilled a key roll in the structural reforms that the national Government of Carlos Menem had implemented from beginnings of the 90. In effect, Juan Carlos Romero was National Senator by the Province of Salta from end of the 80, and had had a fundamental roll in the legislative negotiation of the reforms implemented by Menem.
138] In effect, en August of 1996 the Province of Salta receives loan of the Bottom for the Transformation of the Sectors provincial public. The same one is implemented by an Agreement with the national Government, ratified by a Decree of Necessity and Urgency (1463/96) approved soon by the provincial legislature (Law 6883/96). According to the Agreement, signed with the Department of the Interior, the national Government will transfer to the Province the sum to him of $ 30 million, in the measurement that takes place the payment of the loan granted to the Nation by the BIRF (Agreement of Nº loan 3836AR - Decree Nacional Nº 355/95). Therefore, the province decrees that for this program they will be of application the administrative and countable mechanisms and procedures been suitable by the National State with the BIRF through this loan.
139] The Agreement of subsidiary Loan of the Second Program of Provincial Development was celebrated day 20 of March of 1997 between the Province of Salta, and the Department of the Interior of the Nation within the framework of the Contract of N’ Loan 3877/AR celebrated between the Argentina Nation and the World Bank. The primary target of the Program is to contribute to the institutional development of the Province of Salta, under the logic of the program that was the one to use the financing for public works like incentive so that the province fulfilled the “central reforms” in the public administration. The program included/understood different projects organized by areas. A series of projects was tie to the reconstruction and institutional fortification of specific areas of the provincial public administration, whereas another group of projects was more directly tie with reforms in the operation of the public administration and to its fiscal capacities.
140] For the WB, It Salta was an outstanding example of reformist province, having applied under the leadership of a Governor “reform-minded” like Juan Carlos Romero an ambitious program of reform and modernization (World Bank, 2000). Prior to the PRL, It Salta already had begun with some central measures of the program of
reforms, like the reduction of the uses public, the privatization of public companies and the Bank of the Province. The objective of the PRL was the one to help to Salta to deepen these reforms, advancing on the social areas that allowed to maintain the balance him fiscal. In addition to the matrix of policies, in the loan also a series remembers instruments (indicating) to monitorear the results of the program (World Bank, 2000).

The loan for Salta was an instrument of adjustment by 75 million of u$s (the total program was of 300 million of u$s) conditional by a series of measures that the province is committed to fulfill, and executed to traverse of a subsidiary agreement signed between the Province and the National Government in November of 1997. Loan was approved in August of 1997 and disbursed in two sections of u$s 45 million and u$s 30 million in December of 1997 and September of 1999.

Letter of the Provincial Reformation it is a formal instrument that the Governor of the Province directs to him to the President of the WB, within the framework of the request and negotiation of the PRL, in which he specifies to him which are the objectives of the reform and the measures that are committed to implement.

In this Agreement we already found an important example of “complementary” use of bottoms of multilateral ofGRin that he himself authorizes to the province to use the bottoms disbursed by the PREP, of high-priority way, to assure the provision the necessary bottoms of counterpart for the correct execution of the projects financed within the framework of the program Provinces I, before taking care of the payments of its national debt. Let us remember that the Province already participated from year 1990, although with secondary projects, of the program Provinces I, and that the projects financed by the WB by that route had to be complemented with provincial bottoms, that the PREP came then to provide.

Other measures included the development of a model of control of the integral and integrated public property, a fiscal law of responsibility that is previous to the promulgated one at national level, an integrated system of financial administration that contemplates the systems of budget, treasury, accounting, and national debt (World Bank, 2004). The World Bank also I finance an integrated system of administration of human resources (Fernandez and Yarade, 2001).

This argument is emphasized of explicit way by the World Bank: “Cordoba to chosen for this program of financing of reforms due to the politic opportunity to implement the reforms delayed during years 90, to the urgency to fortify the efficiency and the quality of the social expenses, and by the strong effect of demonstration that this reform can have on the other provinces, given to the spread of it reforms and the economic importance of Cordoba” (World Bank, 2000b).

In effect, according to the criteria of “financial risk” elaborated by the World Bank to analyze the granting from loans to the Argentine provinces (World Bank, 2001), Cordoba was in 1999 one of the four provinces with the level of “lower financial risk”.

In individual as of 1999, the rate of risk country, that measures the capacity of the country to pay its debt, had increased strongly, tying in addition with the financial crisis to the 2001 and later devaluation of the Argentine currency. Evidently, during this period, the availability of international financing that not outside the one of the MDB for the public sector provincial Argentinean became practically null.
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