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Abstract

There are different studies and arguments about decentralisation. Most of the work on decentralisation has been conducted on policymaking and not policy outcomes. This work explains some of the bargaining processes required for the implementation of a transportation project in Quito. In the early 1990s, Quito had an unorganised informal urban public transportation system, and changes were necessary in order to support the rapid growth of the city. Through a decentralisation of powers, the municipality (main actor) became the agenda setter and was able to take the first steps towards an integrated urban transportation system. Nevertheless, the process of getting there was not easy and certain negotiations and strategies took place. Through an analysis of decentralisation, veto player’s theory and interviews with people involved in the procedure, this work shows that the administrative decentralisation that happened in Quito helped the city to implement its transportation system and reduce the decision-making power of public transportation drivers.
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1. Introduction

Cities have been the motor of economic growth and human development, yet they experience difficulties. The movement of people from rural to urban areas was driven by the idea of having better and more opportunities to improve their livelihoods. Nevertheless, complexities tend to scale with growths in population of any major city (Macário et al., 2016). Like many cities in Latin America, Quito, the capital of Ecuador, saw an increase in its population during the 1990s due to the industrialisation process and the location of the main offices of the oil companies (Carrión et al., 2003). Citizens were demanding better opportunities to find jobs and housing, access to services, and improvements in public infrastructure (Carrión et al., 2003). In addition, central government authorities realised that they did not have the capacity to face effectively some of the requirements of the population. Therefore, central government authorities considered that the municipality should assume a more proactive role and undertake improvements within the city.

One of the changes cities needed to implement, as Munoz and Paget-Seekins (2016) explain, was in regards of public transportation. Macário et al. (2016) point out that the rapid increase in population has also meant an increase in congestion, pollution, health problems, traffic injuries, and deaths. Each city has different characteristics; therefore, improvements will depend on the context of the city, such as: the demand on the system, the urban context, street availability, financial capacity, and political will to make changes (Munoz and Paget-Seekins, 2016). Likewise, Allport et al. (2008) highlight that the effective use of the context of each city contributes to the success of the implementation of policies and projects. Furthermore, Boncompte and Galilea (2013) include users’ participation as an important characteristic that reinforces the local factors. This is why in Quito during the early 1990s, the process of administrative decentralisation towards public transportation began. This process allowed the municipality to become an important player in the decision-making process in public urban transportation.
In 1993, after the approval of congress, Quito started to work under the Law of the Metropolitan District of Quito (LDMQ), which was a form of decentralisation from central government to local government. The process of decentralisation, which means the “devolution by central government of specific functions, with all of the administrative, political and economic attributes that these entail, to democratic local (i.e. municipal) governments which are independent of the centre within a legally delimited geographic and functional domain” (Faguet and Sanchez, 2008), generated a change in the competencies of the actors. Chauvin (2007) explains that, with the new regulation, the municipality acquired more decision making power with regards to urban transportation. The first change made by the local authorities was the implementation of a bus system, called Trolebús. Currently, this type of bus system is known as bus rapid transit (BRT\textsuperscript{1}).

Quito, as many other cities, needed to find a solution for its urban public transportation problems. The implementation of Trolebús was part of the solution proposed by municipal authorities. Nevertheless, it was a process that involved agreements, disagreements, and negotiations between the actors involved. The main actors were urban transportation drivers,\textsuperscript{2} who provided the current transportation service (these actors will be referred as ‘drivers’ for the remainder of this dissertation); the central government, which granted power to the municipality and helped it to acquire funding; and the municipality, or local government, which was the developer of the project. In addition, citizens\textsuperscript{3} should have been considered as an important player because they needed a solution for urban transportation and were also the main users of the service. However, they did not have any direct power (decision-making) to negotiate with other stakeholders; therefore, their role will not be analysed in this work. This paper tries to comprehend the

\textsuperscript{1} BRT is defined as a flexible, rubber-tired form of rapid transit that combines stations, vehicles, services, running ways, and intelligent transportation systems elements into an integrated system with a strong identity (Levinson et al., 2003).

\textsuperscript{2} Drivers refers to urban transportation drivers and not to the national drivers’ union/association.

\textsuperscript{3} Citizens could support authorities by giving them the vote in future elections. For this reason, the municipality focused on achieving its goals and, in this case, providing a better transportation service. Authorities were interested in maintaining positive acceptance.
strategies the municipality used to elicit cooperation with other actors and overcome obstacles.

The objective of Trolebús was to change an inefficient and ineffective transportation system that was run by private drivers who had a concession to give a public service. The transportation system of Quito was considered an informal system due to the fragmentation of owners (one driver owning one bus⁴). Before the development of Trolebús, the main problems between bus unions (organisations of bus drivers that selected their own representatives) and central government were with regard to fuel prices and transportation fares for users. Drivers always found a way to achieve what they wanted without making improvements to the service they provided. Nonetheless, when the municipality of Quito took responsibility for transportation, bus unions found it difficult to negotiate with the authorities because the local authorities did not have any subsidies with which to negotiate. This dissertation aims to comprehend the trade-offs that took place during the negotiations between the municipal authorities and the drivers’ unions. It also tries to uncover whether central government had trade-offs with the municipality or drivers during this phase.

The process of decentralisation generated a change on the agenda setter for decision making. An agenda setter is the actor that has a better position to choose its preferences over specific outcomes compared to other veto players (Tsebelis, 2002). A veto player is “an actor whose agreement is required for a change of the status quo”⁵ (Tsebelis, 2002). In this case, the status quo prior to the implementation of the system was driven by central government and the drivers. The participation of a new actor that had different interests changed the interaction between the previous players and set new conditions for future policy-making processes. This dissertation shows that the municipality of Quito was able to elicit cooperation and overcome obstacles through the administrative decentralisation granted by

⁴ There are certain cases in which one owner had two or three units.
⁵ The status quo can be considered the current policy, or the current position of a project (Tsebelis, 2002).
central government. Giving more power to the local authorities helped them to be in a better position from which to negotiate with other actors, to reduce the decision-making power of drivers and central government, and to provide a system that fit the necessities of the citizens. The case study of Trolebús, the transportation system implemented in Quito in 1995, demonstrates how improvements in urban transportation can be achieved when the decision-making power is in the hands of local authorities.

This dissertation is structured as follows. The first chapter looks into the theoretical material and previous studies made on decentralisation, veto players, and transportation projects. Additionally, in this section, the methodology used and case study selected are explained. The second chapter of the paper describes the story of the implementation of transportation in Quito. This section is divided into three subsections that look in more detail at the stories and roles of central government, local government, and drivers. The third chapter analyses and discusses the story and the theoretical review. The section tries to understand the relation between the theory and the case study. Finally, conclusions are presented and recommendations for future studies.

1.1 Literature Review

a. Decentralisation Theory

The importance of decentralisation can be appreciated when the necessities of the population are accomplished effectively. In order to achieve the needs of citizens, Wallis and Oates (1988) argue that decentralisation can make government more responsive to local needs by “tailoring levels of consumption to the preferences of smaller, more homogeneous groups” (Faguet, 2013). However, in certain cases, it is not the level of consumption but the efficiency with which local government acts when implementing development projects. In this regard, Treisman (2007) points out that decentralisation tends to increase policy stability because there are more actors involved. Although, decentralisation does not necessarily mean that there will be an increase in the number of veto players
(Faguet, 2013). Even though there could be an increase in the number of actors, the decision-making power could remain in the hands of just a few. This will depend, as Treisman (2007) mentions, on the type of decentralisation that occurs.

Different paths can be taken to achieve decentralisation. Herrera (2012) emphasises the idea that there are three types of decentralisation: political, which refers to the direct election of authorities; administrative, which denotes policy responsibility; and fiscal decentralisation, which is related to the financial resources managed by authorities (Faust and Harbers, 2012). Treisman (2007) suggests there are just two types (political and administrative); nevertheless, his work validates some of the previous explanations. Taking into consideration the analysis of both authors, the case study of Quito is an administrative decentralisation whereby local authorities obtained more power and became more relevant in policy making for urban transportation.

Few studies have looked at the quality of governance⁶ and still fewer at the relationship between central government and local administrations. Faguet (2013) points out that the majority of decentralisation studies investigate the effects on the public sector, such as investment levels, public service provision, education and health, and macroeconomic stability. Therefore, there is a gap regarding the study of the effects of decentralisation on the reduction of veto players, which could increase the probability of making policies because there are less divergent policy preferences (Treisman, 2007). In addition, Faguet (2013) argues that decentralisation motivates countries to improve governance. This could be understood as an improvement on the checks and balances that could take place between different levels of government. Central government and citizens will audit municipality duties, while the local government will be interested in understanding how resources are assigned because they will want to receive a fair share to execute projects. In that respect, if governance is improved, it

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⁶ Governance is defined as: ‘a government’s ability to make and enforce rules, and to deliver services, regardless of whether that government is democratic or subject to the rule of law’ (Fukuyama, 2012).
is likely that decentralisation, as Faguet emphasises, will generate opportunities for new politicians that demonstrate their abilities to govern. Additionally, Davila (2009) confirms the importance of leaders and the role they play in order to achieve specific projects, yet this analysis has just been done for Colombia. Furthermore, Herrera (2012) points out that Grindle's (2007) study concludes that the impact of leadership could be positive or negative in decentralised governments. For instance, leaders might be able to create new projects that benefit citizens by having their needs met by a closer authority; or there could be increased governmental corruption because there are more people involved in the decision-making process who are willing to somehow benefit from the project.

Local participation, and an increase in productivity and transparency in projects, should be part of decentralisation outcomes. Faguet (2013) mentions that decentralisation is important because it helps to make changes in the top-down management system used by the government and transforms it into a system with more cooperation and participation, where transparency and accountability can be easily achieved. However, Treisman (2007) emphasises that decentralisation decreases productivity because central government, compared to local government, has more access to human capital and economies of scale. Furthermore, Crook and Sverrisson’s (1999) investigation shows that local government does not have the financial and technical resources to provide services under decentralisation. This could lead to more expensive and/or lower quality public goods. Notwithstanding, Treisman (2007) concludes that decentralisation produces effects that are context-specific. This means that things might work differently in specific contexts and that the outcomes could vary. There are factors, such as political stability or needs of the population, that will determine the impact on each context.

Looking more into the specific case study, Ojeda (2000) points out that there had been plans for Ecuador’s decentralisation for many years. Perhaps one of the most important was that developed in 1993, which, according to Fernando Carrion (1998), could be the basis for the reconstruction of the political territory of the country (Ojeda, 2000). This
decentralisation plan involved the creation of the municipal district of Quito, which conceded certain administrative competences to the local authorities of the city. One of the competences was regarding public transportation; though, the central government still maintained power specifically over projects funding and finances. Carrion (1999) also mentions that the process of decentralisation could generate differences between central and local government. Consequently, there was a lesser role for central government, a loss of importance at the intermediate level (states or provinces), and a lack of proposals involving central government participation. This leads to questions such as how the municipality could obtain cooperation with other levels of the state.

b. Veto Players Theory

On the other hand, the ways in which institutions have evolved in Ecuador has created a system that encourages fragmentation and does not offer incentives for cooperation (Pachano, 2007). Politicians in Ecuador participate with the idea of obtaining support through immediate project results, which are delimited to each social group. In addition, the political system of Ecuador has too many veto players, and it is complicated to fulfil their needs (Pachano, 2007). It might be possible that, by limiting the number of veto players, the final outcomes (winsets\textsuperscript{7}) will be bigger for the remaining players. Furthermore, Pachano (2007) emphasises that the veto capacity of actors has been important in order to shape the governmental agenda. Nevertheless, the case of Quito left aside bus drivers, which helped to make decisions faster and benefited citizens with a new transportation system that aimed to fulfil some of the inhabitants needs.\textsuperscript{8}

There have always been key actors that will influence a project. The decision-making power of these actors creates potential for having veto-players. Veto players are actors that could present barriers instead of support

\textsuperscript{7} The winset is: ‘the set of outcomes that can defeat the status quo. Think of the status quo as current policy’ (Tsebelis, 2002).

\textsuperscript{8} The performance of the transportation system is not analysed in this work.
to certain ideas. Commonly, as Pachano (2007) points out, veto players have been traditional sectors that had economic, social, and political interests. On the other hand, Tsebelis (2000;2002) analysed veto player’s theory from the perspective of democracies and non-democracies, presidential or parliamentary systems, the type of institutions, and regimes and party systems. Nevertheless, these studies do not cover the relation between local and central government without looking at whether this is democracy or not democracy, or a multiparty system. Perhaps the important factor for this new relation (central–local) is decentralisation and the distribution of power, which would help to understand cooperation between actors.

Tsebelis (2002) proposes two types of veto player: individual and collective. This work presents both approaches, yet it makes more emphasis on the collective type. Additionally, Tsebelis (2002) explains that the type of veto player can be established in two ways: by constitution (institutional actors) or by parties (partisan actors). Tsebelis (2002) states that his studies do not look into specific individuals, such as ministers or army officials, that could have certain power over decision making. However, the relationships between these individual players could change the final outcomes of a negotiation process because of the interests they have. These actors could become an obstacle, or not, towards cooperation.

The case of Trolebús presents individual veto players, on a macro level and collectively within each conglomeration of actors. When there was a shift of powers between players, a new winset was produced and new rules of the game were set. Tsebelis (2002) points out that the sequence in which decisions are made has an effect on the decision-making process. The player that makes the offer (the agenda setter) has the opportunity to select the preferences and the outcomes that are most preferred. The introduction

9 Mansfield, Milner, and Pevehouse (2008) explain that it is common to see that, when the number of veto player’s increases, there are less likely to be policy changes because it is harder to make agreements between actors.

10 The municipality has multiple individual players, but, when understanding it as a whole, it is seen as a collective player that aims to work towards a common goal.
of an additional veto player will have a different impact on the outcome and its effects may be seen in the size of the winset of the status quo (Tsebelis, 2002). Taking this into consideration, the present work tries to understand the impact of the new actor and how cooperation happened with the previous veto players.

Decentralisation and veto players could lead to different barriers that authorities have to face when they are implementing Bus Rapid Transit systems (BRT). Lindau, Hidalgo, and de Almeida Lobo (2014) point out some of the different barriers that BRTs have faced. They made their investigation based on BRTs experiences of planning and implementing from different cities around the world. In addition, Hidalgo and Gutierrez (2012) briefly explain the explosive growth that BRT systems had and some of the issues presented. One of the most common barriers authorities face, according to Munoz and Paget-Seekins (2016) and Flores Dewey (2013), is the informal bus service, which is a system in which buses are privately owned (usually one owner per bus) and are organised into collectives/unions in order to control the fares and routes. Munoz and Paget-Seekins (2016) explain that, in the informal system, it is common to see, races between drivers, which are known as ‘penny races’, whereby drivers try to get more passengers than the other bus drivers; this becomes insecure for passengers and other drivers. Lindau, Hidalgo, and de Almeida Lobo (2014) and Hidalgo and Gutierrez (2012) emphasise that the introduction of BRTs helps in some way to formalise the informal system and it is expected to organise, in a better way, the routes and the service provided to citizens. Additionally, Hidalgo and Gutierrez (2012) demonstrated that a strong participation from the public sector is required in order to design the basic framework and institutions necessary for the effective implementation of BRTs. However, there has not been a study on the transportation system of Quito and the impact of decentralisation and veto players, and how they might overcome political barriers.

11 For more information about Bus Rapid Transit (BRT) see Hidalgo and Gutierrez, 2012; Muñoz and Paget-Seekins, 2016; Lindau et al., 2016; Cervero, 2013; Hidalgo and King, 2014; Muñoz and Gschwender, 2008.
It is important to mention that this specific case is not about policy making. It is about the execution of a project that generates changes on future policymaking. Implementation is just one phase of a whole process that is aimed at improving mobility and public transportation (policy outcome) in Quito. Filipe and Macário (2012) believe that this type of project should be understood as a single project. These authors consider that the improvements in transportation that started with the implementation of BRT systems should be seen as a policy package for transportation. This package includes the planning, implementation, and performance of the system (Filipe and Macário, 2012). In addition, the same authors, in 2014, consider that part of the policy package is the decision-making process, which has to deal with the interests of the different institutions and actors involved (Filipe and Macário, 2014). This investigation does not look into the whole ‘policy package’ of the BRT system; the main objective is to identify critical points (turnovers) that happened during the implementation phase. There are certain conditions that will drive the actors’ preferences. Some of these conditions can be negotiated, while others will set the rules under which negotiations take place. Therefore, the role of actors and the possible trade-offs between them will be analysed.

Few investigations on decentralisation and veto player’s theory with regard to urban transportation have been conducted in Ecuador. Indeed, only one study, that of Chauvin (2007), describes the different conflicts presented by the transportation system of Quito. He used conflict and resolution theory to find how many conflicts had occurred between the actors involved in the transportation system, as well as the different strategies used by the actors to solve their differences. Chauvin (2007) focused on the whole project of Trolebús and the different administrations that took over the project. He recorded the times each player was involved in a conflict and what strategy from conflict and resolution theory was used. Furthermore, Chauvin (2007) points out that decentralisation could be analysed in further studies using different perspectives. However, the author does not look in much detail at the preferences of each player. With regard to veto players, Mejía Acosta (2009) and Pachano (2007), for example, focused on veto players and the
coalitions formed, but mostly related to how formal and informal negotiations take place, pointing out how decisions are made in the legislative power of Ecuador. Looking into decentralisation, Carrión (1994) conducted studies on the different types of decentralisation, how decentralisation began in Ecuador, and why it is important for the country. In addition, Ojeda (2000) argues that the decentralisation process in Ecuador was an ongoing process, and Batallas (2013) explains that the last decentralisation process started in 2008. However, this study tries to fill the gap in the literature on veto players and decentralisation in the implementation of the first phase of Trolebús.

1.2 Methodology

The current investigation is a process-driven study that aims to understand decentralisation and veto player theory through a specific study case. The city chosen for the research is Quito, the capital of Ecuador. The paper looks into the implementation process of a transportation system named ‘Trolebús’ between 1990 and 1995.

During the 1990s, as mentioned, Latin America experienced economic growth and migration to cities where industries and jobs were located. The case of Quito was no different and changes to the state of urban transportation became necessary. Quito was selected as the case study city because it helps in understanding the decentralisation process that the city experienced. In 1993, new competences started to be granted to the municipality and the first big project with regard to transportation was Trolebús. The aim of this investigation is to see if there was a shift of actors during the negotiation, and how cooperation was elicited. Only the first phase of this transportation system will be taken into account because it was the first time the municipality had more competences and decision-making power. For this reason, decentralisation and veto player theory will be taken into consideration for the investigation.

Furthermore, the Quito study introduces changes to the way public transportation used to be in South America. It also might help in comprehending the relationship between different levels of government and
public organisations. Quito was the second city in the region that implemented this type of public transportation change. Nonetheless, the use of electricity to power vehicles made the city the first place in the region to combine electrical power and BRTs. After Quito, Bogotá followed with similar changes, which, because of its size and impact, became recognised worldwide. Nevertheless, Bogotá based its system on Quito's experience. This is why it is important to understand how things worked in this case and how changes were set in order to develop the project.

The project was developed in the 1990s; therefore, finding information about the project is a challenging task. Hence, interviews were the best option to gather information from the actors involved. One of the interviewees mentioned that every time a new administrator (in the form of a new mayor) took office\(^\text{12}\), all the paper work from the previous administrator went to the general archive of the municipality (Interviewee 3, 2016). However, after going to the general archive, no reliable information was found. Moreover, according to a national newspaper in Ecuador in 2002, investigations against the local authorities in charge of the implementation of Trolebús were taking place due to the disappearance of public documents containing valuable information about the first phase of the implementation (\textit{El Universo}, 2002).

In order to obtain information about the project, secondary data about the topic was used as a guide to establish primary sources (people) involved in the project. Chauvin (2007) and Carrión (1994) wrote about the situation prior to the implementation of the system and only Chauvin (2007) analysed the new transportation system. After identifying some of the relevant actors from previous studies, these were contacted via Skype and semi-structured interviews were conducted to understand the roles of the actors,\(^\text{13}\) their interests, and how they tried to achieve them.\(^\text{14}\) The variety of actors ranged

\(^{12}\)Considering the current administration, four different mayors have been elected since the implementation of Trolebús.

\(^{13}\)Annex 1 shows the interviewees and their general roles during the implementation of the system.

\(^{14}\)There was a set of general questions and the rest arose from the previous stories of the participants. In some cases, due to the availability of actors, two interviews were conducted; the first interview was to get an overall idea of what the participants did, and the second was shorter and more focused on understanding the interests and how negotiations and cooperation could have happened.
from former mayors of the city to citizens who owned businesses in areas in which the project was taking place.\textsuperscript{15} It is important to look at different perspectives in order to develop a more critical argument that does not favour any of the parties involved during the implementation process. Most of the time, the interviewees showed interest in helping; however, there were some people (journalists and members of central government) that responded only once or did not respond. The best way to solve this limitation was to contact people that were close to the actors that did not reply and try to get as much information as possible from a perspective that might follow similar patterns.

During the interviews, a snowball effect\textsuperscript{16} was used in order to obtain the names of more people involved in the project. The interviews were presented with open-ended questions, which gave the actors the opportunity to explain their opinions in more detail. In addition, some specific questions were asked depending on the area and role of each participant. This type of interview was the best option because the project was implemented many years ago and there is relatively little information about it. The idea was to allow the interviewees to tell a story and bring memories and details.

The information gathered from the interviews was organised into three large groups of actors (municipality, central government, and drivers). The next chapter of the study discusses each group role\textsuperscript{17}. After presenting the stories, the final chapters analyse the outcomes of the stories when compared with the theory.

\textsuperscript{15} This paper does not use the names of the interviewees; however, this information can be shared upon request.

\textsuperscript{16} The snowball effect is defined as: a technique for finding research subjects. One subject gives the researcher the name of another subject, who in turn provides the name of a third, and so on (Vogt, 1999).

\textsuperscript{17} The municipality was the most important actor, so the majority of stories came from former workers of the municipality.
2. Stories

Before 1993, the two main actors with veto power in decision making were the drivers and central government. On one hand, drivers wanted to maintain their routes, receive high subsidies, and charge higher fares without improving the system. On the other hand, central government wanted to make sure cities, in this case Quito, have a public transportation system that will satisfy the needs of the growing population. Each actor has different strategies in order to achieve their preferences. Drivers will organise strikes so that transportation will be paralysed and, as a result, citizens will be disappointed with the authorities. Central government, in contrast, had few options, and had to deal with the drivers by increasing fares or giving more subsidies for fuel costs. Central government authorities were aware that a strong strike could be an incentive for other unions/organisations to take to the streets, so they needed to find a solution. During this time, the municipality did not have many competences with regard to transportation, and its position was passive. The municipality had no power to create regulations or negotiate with drivers. However, the process of the administrative decentralisation that started in 1993 gave the municipality more competences and it became an actor with more decision-making power in order to bargain with drivers, central government, and the municipal council.

2.1 Central Government

The participation of central government willing to support transportation changes occurred at different periods. The first attempt was during the administration of León Febres Cordero (1984–1998), who gave support to the Empresa Municipal de Transporte. After Febres Cordero, Rodrigo Borja’s (1988–1992) team developed plans that would improve transportation in the city. Their main idea was to acquire a train to connect the south of the city with the valleys. Nevertheless, that option was not the best alternative due to the small population living in the valleys (Interviewee
5, 2016). During this administration, ideas of decentralising power to local authorities grew, and congress began to discuss this option.\textsuperscript{18} Finally, the Sixto Durán-Ballén administration (1992–1996) gave support to the implementation of Trolebús. A common characteristic during these periods were the constant protests and strikes that drivers undertook in order to obtain benefits such as an increase in fares and reduction/subsidies for fuel. If there was no agreement between the different actors, then a protest/strike would take place (Chauvin, 2007).

As Borja’s administration, Durán-Ballen had to deal with different problems with other actors, including members of his own cabinet. One of his ministers was not in favour of Trolebús, which, according to a former mayor of the city, might have been due to personal interests (Chauvin, 2007). However, a member of central government pointed out that the minister had to consider what benefits the most to the country. His decision was not to support the project, because it was too expensive (Interviewee 9, 2016). The minister\textsuperscript{19} did not like the electric buses because the maintenance costs could represent more problems for the municipality (Interviewee 4, 2016). Nevertheless, the final decision of Durán-Ballén’s administration was to support the development of the project and the minister had to authorise the budget and credit for it.\textsuperscript{20} To sum up, central government might have had differences with the municipality and different projects in mind, yet it always supported projects that would benefit the majority of citizens.

The negotiation of the funding had to be government–government, therefore CONADE (National Council for Development) had to be considered because this institution created reports on international investment in local projects. Its work was to analyse, comment, advise, and make suggestions to the relevant authorities, in this case the municipality of Quito, about the

\textsuperscript{18} Jamil Mahuad, as a member of congress, presented the idea to the legislative body for further discussion (Chauvin, 2007).

\textsuperscript{19} The minister was a businessman in the vehicles industry (Interviewee 10, 2016) and probably knew of cheaper options that involved other types of negotiation.

\textsuperscript{20} This is a clear example of the role of the executive, listening to the proposals of the ministers; yet the final decision is in the hands of the president, who needs to serve for the benefit of the majority group of citizens.
conditions of the investment and the investors so they could make the final decision (Interviewee 10, 2016). CONADE had to read the conditions offered by the different companies that participated in the bidding for the development of Trolebús and provide reports on each tender. These results will be given to the municipality for the final decision.

One of the members of the national government during Durán-Ballén administration mentioned that the main position of the government was to provide financial assistance for the project. Three factors influenced the decision to support the project. The first was that Mayor Mahuad’s work had positive impacts and citizens were happy with his administration. Second, it was an innovative and sustainable idea. Central government was aware of the pollution generated by old buses, especially in the historic town in which their offices were located. Finally, the capital of Ecuador required a more secure and efficient public transportation system (Interviewee 9, 2016).

2.2 Municipality

The administration of Rodrigo Paz (1988–1992) faced certain major changes Quito had; transportation being the fourth priority on the list. The administration understood the importance of transportation, and decided to work on the basis of a plan that could be used as a long-term solution for the city (Interviewee 1, 2016). As a first approach, the city increased the bus fleet in order to cover more routes (Chauvin, 2007). Moreover, the municipality brought in Juan Parrochia, a Chilean expert on underground systems, who analysed whether the city needed this type of transportation system. Parrochia concluded that Quito did not require an underground system, yet improvements on public transportation were necessary (Interviewee 2, 2016). As a consequence, the Unidad de Estudios de Transporte (Transportation Unit) was created, and Cesar Arias, an expert on transportation, was appointed as leader of this team (Chauvin, 2007; Interviewee 1, 2016). His team conducted investigations for a new solution and, at the end of Paz’s
tenure, the solution for mobility and transportation was Trolebús, which was a combination of Curitiba and Cordova bus services with single-corridor lanes for buses powered by electricity (Interviewee 2, 2016). More importantly, it was an affordable cost for the city to implement (Chauvin, 2007).

In 1990, Mayor Paz gave to the National Congress the working paper that considered the creation of the Metropolitan District of Quito (Chauvin, 2007). At the same time, while developing further feasibility studies for Trolebús, funding and credit needed to be supported by central government, and the project needed to get approved by the city council. The cooperation between central and local government at this stage worked well. Paz soon managed to get support from central government and the approval of the municipal council (Interviewee 1, 2016).

In 1992, a new administration was elected and the new mayor, Jamil Mahuad, said he would continue with previous projects, something unusual in Ecuadorian politics (Chauvin, 2007). The municipality needed to present central government with the offers from the bidding process to obtain financial support. The offers were from Russia, the Czech Republic, and Spain. The main reason for the selection of any of the offers was that the company could obtain credit from their national government, because it had to be a government–government negotiation. The Spanish proposal presented the best conditions for obtaining credit (Interviewee 2, 2016; Interviewee 5, 2016).

The municipality assigned one person to the bidding process who would gather all of the information and present it to central government and

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21 Arias visited Curitiba (Brazil), a city using single corridors for buses. At the same time, Mayor Paz travelled to Cordoba (Argentina), where he saw trolley buses (buses powered by electricity) (Interviewee 2, 2016).

22 This new law would give more competences to the municipality with regard to transportation. Notwithstanding, there was no clear specification of the concessions with regard to public and private transportation (Interviewee 3, 2016).

23 Mahuad was not 100% about the idea of Trolebús (Interviewee 3, 2016). His team made him understand the relevance of the project and its political impact (Interviewee 4, 2016).

24 Municipality refers to the Mayor and his team.

25 This refers to central governments.
then to the mayor so he could discuss the reports at the municipal council. The bidding process had two main concerns: the units (including electric system and infrastructure)\textsuperscript{26} conferred to the Spanish company, and the roads and stations, which were assigned to Menatlas, a local company (Interviewee 2, 2016; Interviewee 6, 2016). As expected, the Spanish company negotiated with its national government funds from a current credit for Ecuador (Interviewee 6, 2016). In a certain way, this conditioned the acquisition of the buses and the terms by which the negotiation took place. For this reason, some members of the municipal council tried to obtain more information about the negotiation of the electric buses.

One councilman\textsuperscript{27} recognised that he was against the implementation of Trolebús because the project involved overspending. He believed there were other options at a lower cost, such as the implementation of eight exclusive corridors for buses, using the current units (Interviewee 8, 2016). Another councilman interviewed mentioned that he always supported ideas that could improve urban transportation, yet he was against some procedures that, according to him, were illegal. He believed that the project would only solve the interests of certain people involved in the business. Specifically, he was not in favour of the bidding process and, to show his disconnect, he presented a public complaint to the Attorney General, explaining that the municipality did not call for a second bidding process\textsuperscript{28}, and that the project did not have full support from the municipal council\textsuperscript{29} (Interviewee 7, 2016).

\textsuperscript{26}Trolebús's implementation also included some spill-overs in infrastructure, such as new lighting systems for streets, which were also adjudicated to the Spanish company (Interviewee 2, 2016).

\textsuperscript{27} The role of a councilman is to legislate and oversee the projects of the municipality (Interviewee 7, 2016).

\textsuperscript{28} There is confusion in regards of the bidding process of the project because there is not enough information about it. Some actors involved consider that there was never a second call. However, workers from the municipality said there was a second bidding process.

\textsuperscript{29} The documents presented to the State Attorney stated that the councilman believed that there was no approval from the municipal council of Mayor Mahuad. He stated that there was approval from previous administrations about the starting negotiations and the bidding process for the project. The councilman mentioned that the law was not followed because the council needed to approve changes with regard to the selection of the company that would implement the system, and this did not happen (Interviewee 7, 2016).
Mayor Mahuad was aware of the opposition in the council (Interviewee 4, 2016), yet he found ways to fulfil councilmen interests and involve them in the project (Interviewee 7, 2016). If the negotiation between the mayor, his team, and councilmen did not work, other forms of bargaining would be used (Interviewee 7, 2016). The second councilman mentioned that members of the municipality tried to involve him in some of the negotiations (illegally) so that they would have something negative to show about him. This never took place and he maintained his position, yet the municipality was able to obtain support from the rest of the council (Interviewee 7, 2016).

The rumours about the over price of the system could not be confirmed. Notwithstanding, ‘Los Contreras’ continued with their investigations. Another councilman travelled to Spain to obtain information about the funding process and might uncovered interesting findings. During the trip, the mayor decided to organise a council meeting so that this specific member would not be able to attend. Nevertheless, the councilman anticipated this idea and managed to arrive in the city early. In the meeting, surprising every assistant, one of the councilman felt unwell and collapsed; the session was suspended. In the meantime, one of the advisors to the mayor made certain phone calls, one of which was to a recognised politician from Ecuador. This politician then telephoned the councilman who wanted to present the documents that probably could have shown irregularities in the bidding process and concession, and told him not to present them (Chauvin, 2007). After some days, the session took place again and the investigation was never presented. The opportunity to know more about the process was gone (Interviewee 3, 2016).

While making their way through the municipal council, the drivers became the next actors that the municipality had to deal with. At this stage, the municipality needed to do two main things: create single corridors, which was done easily; and take out of circulation buses that covered the future route of Trolebús. The municipality knew that if it did not take the buses out

30 Name for the councilmen opposed to the project (Interviewee 3, 2016).
of circulation, it would not be able to solve the problem of traffic and congestion. Among the new competences of the municipal administration was environmental control of buses, which helped in getting the buses out of circulation with the establishment of new environmental parameters for circulation, such as gas emissions. The strategy was to develop full coordination between different teams of the municipality. The team led by Arias needed to contact the drivers and explain what was going to happen with the implementation of Trolebús. At the same time, the communication team worked on a strategy to explain clearly how the system was going to work. Their strategy was the following: ‘If you can’t explain something in the front page of the most important newspaper don’t do it, but if you can explain it then do it’ (Interviewee 4, 2016). The municipality managed to deal with the different actors and implemented the first phase of Trolebús in 1995.

2.3 Drivers

The story from the drivers differs little from what has been already presented. The only point of relevance from drivers’ perspective was that they felt they were not taken into consideration in the negotiations surrounding the future implementations. Representatives from the drivers’ unions stated that they were invited to meetings but everything had already been planned. The meetings they attended were purely informative, and there was never any room for debate (Interviewee 11, 2016; Interviewee 12, 2016). In one of the gatherings held by the Arias team, the new transportation plan was presented to the drivers, who were told that they needed to adjust their routes. The drivers did not agree with the proposal and tried to maintain their position of not accepting the construction of Trolebús. They believed that they could stop the municipality from implementing the plan, and their strategy was to respond to every event with the stagnation of the service and strikes (Interviewee 12, 2016).

The implementation was entirely a local government initiative, therefore drivers always tried to look for information about the project from municipal sources. One driver interviewed pointed out that the negotiations
about the implementation of Trolebús were not clear and that the drivers never had access to reliable information (Interviewee 11, 2016). In this regard, the representative of the drivers had the opportunity to travel to Spain with a member of the municipal council, and he expected to obtain information about the negotiation process that have taken place between the local government and the Spanish company (Interviewee 12, 2016). Once in Spain, there was no response from either the authorities or representatives of the company. The purpose of this trip was to find out the type of units that were going to be used and how the municipality had conducted the negotiation. The goal of the driver was to obtain more information that could be shared with the rest of his union (Interviewee 12, 2016). The drivers were aware that this new system would not benefit them at all. They were going to lose their routes and probably their units.

Mahuad followed Paz’s ideas and implemented Trolebús without any formal negotiation with the drivers. The drivers felt that the municipality abruptly took the streets of the city and created the single lane for the public bus system, forcing the private drivers to move to other streets (Interviewee 11, 2016). The drivers admitted that they had no other alternative. The drivers considered becoming stakeholders in the project, yet they did not receive a positive reply from local authorities (Interviewee 12, 2016). They were willing to redesign the routes by creating an integrated system with a parallel service to Trolebús. However, as a solution, the drivers were assigned parallel routes that were 300 metres away from the corridor of Trolebús (so as not to lower the demand for Trolebús) (Interviewee 11, 2016). The drivers felt uncomfortable with this solution and only a few of them decided to improve their system and change routes in order to complement the municipal project.

The leader of the drivers stated that they decided to strike closing streets because they wanted to know what was going to happen with them (driver’s union). He stated that drivers were confused because they did not have information on what would be taking place in the city and with their jobs. In addition, he pointed out that Sixto Durán-Ballén listened to their concerns, but could do little. He merely suggested that the strikes need to be stopped
because things could get worse. A member of the city council told the drivers to stop what they were doing because things were going to get more complex. In addition, one of the ministers also suggested an end to the strikes because there might be bad consequences for drivers. However, the factor that made the head of the drivers change his mind during one of the strikes was the fact that the driver leader knew that the police had arrested two of his sons.\textsuperscript{31} It was a way to put pressure on him, and his priority was always the safety of his family so he had to give up the strike and lose his positive position as leader of the drivers. As a consequence, the leader of the drivers lost the respect of the others members of the union because he seemed weak and someone that did not put the interests of his collective first. Many of the drivers felt they had been betrayed and even believe that the municipal authorities had bribed paid their former leader (Interviewee 12, 2016). As a result, new bus organisations were created, which accepted the conditions of the municipality and adapted their services to Trolebús.

The next section will discuss how the process of decentralisation and veto player’s theory connect to the different stories explained about the implementation of Trolebús. The analysis will be divided in two sections: one for decentralisation and the second for veto players.

\textsuperscript{31} The driver received help from one of the members of the city council who went with him to the police station (Interviewee 12, 2016).
3. Analysis

The implementation of Trolebús was successful with the use of many factors that helped to set up the new system. First, there was vision of the importance of decentralisation. Second, there was a change of preferences between the actors involved in the project. Third, there was a new agenda setter. The vision is attributed to Mahuad because he and his party worked to pass the decentralisation law. As explained, Paz presented the law to congress, and Mahuad,\(^{32}\) as congressman, presented it for its debate in congress. Decentralisation led to a new distribution of power that changed the preferences of the actors (Tsebelis, 2002). As a consequence, local government became the agenda setter (Tsebelis, 2002) and developed a strategy involving coordination between its different teams. This process would not have been possible if there had been no political stability (resoluteness) with the continuity of the same policies (Haggard and McCubbins, 1999). Mahuad, as the successor of Paz, gave continuity to the projects and policies,\(^{33}\) ensuring that citizens received the most benefit. Furthermore, other factors, such as leadership (strong and weak),\(^{34}\) political interests, or political alliances, could also help to implement the project; yet, these factors would not matter if there was no administrative decentralisation process.

When comparing the study case with the theories of veto players and decentralisation, it seems slightly different because it was not a case in which policy making took place. This was a case in which a project was implemented (policy outcome) and its accomplishment might generate changes in future policies because there were variations in preferences and a shift in the status quo of the actors. For this case study, it is important to

\(^{32}\) He had the intention of supporting his party, and probably had in mind the idea of becoming the future mayor.

\(^{33}\) One of the interviewees pointed out that Mahuad did not like things done halfway (things were made or things were not made). The interviewee mentioned that the control Mahuad had over every step of the process was crucial in order to know how to face any difficulty (Interviewee 4, 2016).

\(^{34}\) The current mayor had a lot of acceptance and became a strong political figure, while the president of the nation was seen as a weak leader who had started to lose his image.
take into consideration that there were other actors involved with a limited decision-making capacity who influenced the new interests of the key players.

Trolebús helps to recognise that there was not a clear distinction between the competences of central and local government before the beginning of the project. The administrative decentralisation process gave the municipality power over the planning and operation of the public transportation service to the city. However, there was no clear specification between the public service of transportation and the permits of operations for private drivers. These roles needed to be understood because the service of transportation in Quito since the 1940s was privately operated and the authorities set fares and certain rules for running the service. Central government authorities had the obligation to provide the service, while the private sector had only permission to operate in the city under certain conditions without the participation of the municipality. This condition could hinder the negotiation process between the drivers and central government because drivers would care more about the circulation permits and service fares rather than a true improvement of the transportation system. Therefore, the implementation of Trolebús aimed to provide a better service, set new regulations with regard to urban public transportation, and facilitate future negotiations between the actors involved.

3.1 Administrative Decentralisation of Quito

The process of administrative decentralisation, which created new conditions for negotiations, generated advantages, such as more accessibility to authorities (for citizens), and distribution of power (for

\[35\] Looking at veto players theory helps to comprehend how there are many actors such as citizens, civil organisation, or the media that should have an active participation in the process. Although their opinions might be taken into consideration, these actors have no veto power over the decision-making process. During Trolebús’s implementation, citizens were barely taken into consideration, while the media had a lot of influence in what was happening. The municipality was able to establish good relationships with the newspapers so that they would write in favour of the new project and paint the drivers as the villains of the process.
authorities); and disadvantages such as limited access to financial resources for the implementation of the system. The municipality gained more competences in transportation due to the fact that central government handed over power for creating and assigning routes. Additionally, this was an advantage for the citizens because it was easier to approach local authorities than members of central government (Faguet and Poschl, 2015). In this way, citizens could become overseers (auditors) and could put more pressure on authorities so that they would respond effectively (Faguet and Poschl, 2015). Moreover, the citizens’ empowerment in projects could increase because they knew that administrative decentralisation made it easier to share their opinions with the authorities. In addition, the municipality realised that it could tackle specific problems more efficiently; authorities are more knowledgeable on local needs (Faguet and Poschl, 2015). For instance, the development of Trolebús allowed the authorities to realise that the citizens demanded more security and respect/esteem in the service, and that the city needed to preserve its historic heritage.  

All of these factors increased the probabilities of authorities to better use the available resources, tackling the needs of the population.

The decentralisation process that took place in Quito accomplished some of the characteristics that Faguet and Poschl (2015) present in their studies. However, the idea claiming that decentralisation will allow citizens to select the project that works best for them was not used in this project; perhaps because this was the first time the municipality had dealt with such responsibility, meaning that even the authorities and citizens did not understand what some of those responsibilities were. Another reason for the citizens not choosing the project could be that the process of the implementation of Trolebús began before the process of decentralisation. Nevertheless, it was a solution targeted to achieve the wants and needs of the citizens.

On the other hand, one of the disadvantages was that the municipality acquired the decision-making power but would not have full access to the

36 The historic town of Quito was declared UNESCO’s World Cultural Heritage Site in 1978.
financial resources because it was not a complete decentralisation process.\textsuperscript{37} The study case is an administrative decentralisation process (Herrera, 2012) and it demonstrates that negotiating over funding can become a real problem, and in certain cases it could slow down the implementation of a project. For instance, the new president cabinet did not believe that Trolebús was the best solution, so the previous approval from central government was not accepted. In addition, the negativity of one finance minister became an obstacle for the municipality; therefore, the municipality had to negotiate directly with the president and vice-president in order to regain support from central government. If the municipality did not have the approval of central government, financial support would not have been possible and the project would not have been implemented. Hence, good relationships with central government were crucial.

In addition, the control of local government over the implementation of the system increased the political bargains within the municipality. There was an increase on the trade-offs and negotiations between members of the municipal council and the mayor. The more issues the municipality had to deal with, the more chances of having to be approved by the council. The municipality is seen as a collective veto player; however, within this institution there are many individual veto players (Tsebelis, 2002). The council has veto power if the majority of its members agree on an issue. Therefore, the probability of informal negotiations between members of the council for the implementation of Trolebús increased. Dealing with individual veto players increases the preferences and interests of each actor, so they will support the collective goal if they can see that a project will be of benefit to them. This could lead them to abandon the main goal they had as a collective player. Authorities from the municipality realised that they needed to show citizens which council members were not in favour of the project.\textsuperscript{38} As a consequence, councilmen faced greater pressure and were willing to support the idea. This strategy worked for garnering support from the municipal

\textsuperscript{37} The decentralisation that Quito had did not include fiscal decentralisation.

\textsuperscript{38} Media became was a crucial allied that helped to show citizens what is occurring with the project.
council. Once there was agreement between single players (there was a majority within the council), the collective veto player became stronger and it was more likely to have a better position to obtain preferences and deal with central government and the drivers.

In the case of Trolebús, there were some councilman that fought against the implementation of this system, yet they were not a majority and they could not change the outcome. Additionally, the story about the councilman who collapsed and the call that made another councilman leave the investigation aside give a clear indication that, once personal interests are involved, citizens’ problems cease to be a priority (Interviewee 3, 2016). In this case, the councilman is likely to have had reliable information, but he might have been offered something that attracted his attention more (informal negotiation) in order to keep silent and not publicised what he knew. Perhaps actors against the implementation of the system knew it was going to be executed with or without their support, yet they tried to get something in exchange. An increase in negotiations between actors could also involve personal preferences and interests from other areas of government. Therefore, citizens’ interests would be used to achieve personal benefits from authorities.

Furthermore, the process of administrative decentralisation could increase clientelistic policies39 (Faguet and Poschl, 2015). Mahuad and his team had the political vision of this project. They knew that this was something that would benefit citizens immediately, and it is a project that has visibility (can be seen by everyone). Therefore, a positive result would make citizens happy and more likely to support the current administration and its political party. The implementation of this system suggested that it was one of the strengths that the mayor had when he decided to run for president. Therefore, the municipality tried to find ways to encourage other actors to support the idea.

39 Clientelism is defined as: political or financial support to a patron (as in the form of votes) in exchange for some special privilege or benefit (Merriam-Webster, 2016).
In brief, the competences granted by central government to local government helped local government to become the new agenda setter that would provide a better transportation system for its citizens. Both actors understood that decentralisation had to be undertaken and, by sharing competences, both players could become stronger because they shared some of their preferences and could reduce the winset of the drivers.

3.2 Municipality as Agenda Setter

The process of administrative decentralisation granted more powers (competences) to the municipality with regard to public transportation. The municipality became the agenda setter, with a clear strategy of what it wanted to achieve and how to do it. As a consequence, central government lost importance in the negotiations and the drivers had to learn how to deal with a decisive municipal administration. In order to understand this change, two scenarios should be considered. The first scenario was before 1993, when central government had the majority of competences over transportation. In the second, after 1993, the municipality obtained more participation and become a veto player in the transportation field with the implementation of Trolebús. The dynamics of the scenarios are presented in Figures 1 and 2.

Figure 1 represents the drivers and central government with the winset before the implementation of the system. Under Figure 1, the drivers were able to put pressure on central government and get what they wanted in exchange.\(^{40}\) On the other hand, central government knew that dealing with the drivers was not easy, because there might be extra interests from other governmental institutions, such as the national police.\(^{41}\) This meant that there could be differences within the government that could be used as a strategy

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\(^{40}\) Drivers’ unions could block streets in the city, and contact other unions to block other parts of the country. Drivers’ union strikes could mean a government stepping down, which is why central government always had to accept some of the terms that the drivers requested.

\(^{41}\) It was common to see high-rank officials owning several private buses. This put extra pressure on the government because it would have to face drivers without the full support of the police.
by the drivers who could benefit from this internal division. In this scenario, the municipality would rely on the preferences of central government.

Figure 1

In Figure 1, the letter ‘A’ represents the preferences of both actors. In this case, drivers wanted an increase in fares and subsidies, while central government wanted a transportation service with regular operations. Additionally, the white squares represent the ideal points of each actor (actors will try to select outcomes that are closer to their ideal points). This scenario would always benefit the drivers because they were the only actors that could provide the service. If there was no transportation service provided, the citizens would be affected and they would blame the authorities. Therefore, the authorities always came to agreements with the drivers.

The second scenario presents the two previous actors (drivers and central government) and a new player, local government (municipality). In this case, the preferences of the first two actors are the same, although the new player has its own set of preferences and strategy. Each letter (‘A’, ‘B’ and ‘C’) represents the winset that each actor had with the others. The municipality wanted to improve the current conditions of the transportation
system, and to do so it decided to implement new buses (Trolebús). By implementing Trolebús, the municipality placed more pressure on the drivers because they needed to improve their service or adjust to the municipality conditions. In addition, this scenario gave local government the power to establish tighter control over the age of buses under environmental controls whereby a maximum age limit for circulation was set.

The new scenario (Figure 2) changed the dynamics regarding the negotiations among the actors. Local government had less with which to negotiate with the drivers (winst B) and it was still dependent (financially) on central government (winst C). Likewise, central government was in charge of the negotiation of subsidies (winst A) but was now dependent on the reports provided by the municipality. Finally, the drivers were still providing the service and did not find a quick way to integrate the initiative of the municipality. As the figure shows, the drivers still believed they had a lot of

Figure 2

42 The story of how each actor was involved has been described previously in this work.
negotiation power with central government (winset A). The difference was that, this time, they did not take into consideration that local government was the agenda setter, which meant that the preferences would be close to the ideal point of the municipality. As a result, the local authorities had more control over the urban public transportation and the drivers lost their position for negotiation. The demands for improvements in the service increased; consequently, if the drivers wanted to deal with the authorities, they needed to upgrade the service they provided.

This scenario helps to explain how decentralisation gave the municipality a better position for bargaining over time. The local authorities understood that it was a process and once they had full competences (including funding) over the transportation system they would be able to negotiate from a better position. The whole negotiation process became easier because they learned how decentralisation works. Additionally, there should be less participation from central government over time and less involvement of the drivers. However, the authorities knew that limiting the power of the drivers was part of this process, and they could not leave them without work because this would have a negative impact on elections (authorities could lose votes\(^\text{43}\) (Faguet, 2013)). Furthermore, the authorities knew that they had the support of the citizens for future policies because the implementation of Trolebús showed that the municipal authorities were able to work towards the interests of their citizens no matter what obstacles they had to overcome. In addition, the knowledge about the requirements of the citizens helped the authorities to negotiate specifically on the most important issues, adapting them to the requirements of the population and the conditions of the context.

Moreover, Figure 2 helps to understand that drivers lost their negotiation power and started to be less involved in the conversations with authorities because their ideas would not benefit the citizens; their image

\(^{43}\)The aim of politicians is to have support from citizens in order to be re-elected (Pachano, 2007).
was discredited.\textsuperscript{44} The new transportation system was not intended to affect the drivers at all. The intention was simply that the routes would be adjusted and certain parameters for urban transportation would be set with the implementation of a new main route to improve mobility in Quito. However, the drivers had seen transportation as a business in which they had tried to maximise their profits without making improvements to the service. There was no argument against making profits, yet they must improve their services so that users would be more comfortable and secure. The drivers did not understand the significance of partnering with the municipality. Nonetheless, when they saw that they had no further options, an internal division occurred and one of the groups accepted the new conditions that the municipality set without negotiating. The municipal authorities realised that the participation of the drivers was not a requirement. They knew they could find other ways to supply the demands of transportation. Nevertheless, the drivers would still protests closing streets, which could create a bigger problem for the city. Therefore, the local authorities did not want to take the drivers completely out of the system, yet they generated a negative image of the drivers so that the citizens would be the ones to judge them.

In addition, the municipality and central government shared the objective of making changes in public transportation that would benefit the citizens. In doing so, both institutions had to cooperate in order to deal with the drivers and other difficulties. The competences over fares and subsidies, the financial support, and military support (if needed\textsuperscript{45}) were the reasons why local authorities maintained cooperation with central government. On one hand, central government shared the main objective of the municipality, which was to integrate the current transport system with a new central/ main

\textsuperscript{44} The municipality understood the importance of taking into consideration the other actors that could not decide but might be influential. It had a good communication plan and strategy, which had the media as strategic allies. The media did two things well. First, it showed the reality of the system. They presented the drivers as an unorganised group that looked out only for its own benefit, which was true. Second, they had the capacity to convince people of an idea, even though they did not know it was going to work. They used different platforms in order to inform citizens of how the new project would work and how the citizens would benefit from it once implemented.

\textsuperscript{45} In 1996, the drivers conducted their last big strike in Quito in opposition to Trolebús. As a consequence, a ‘state of emergency’ was declared in the city and the military took to the streets to end the strike (Interviewee 3, 2016; Interviewee 4, 2016).
route operated by Trolebús. The central government did not want Trolebús to have a negative reputation because it had financially supported the project. In addition, the administrative offices of the government are located in Quito, and the city has the second highest population in Ecuador, which was a particular reason why central government wanted to ensure that no further strikes would take place. Therefore, supporting Trolebús helped to lower the probability of strikes in the city.

This section briefly analysed the relationship between the theory and the case study, which showed that administrative decentralisation had a positive impact on the implementation of a public transportation system in Quito.
4. Conclusion

The case study of Quito provided the opportunity to analyse how administrative decentralisation works and how, in this case, it helped to improve the informal public system of urban transportation. The implementation process of the transportation system shows the positive outcomes of administrative decentralisation and some of the obstacles presented. Trolebús, as other BRTs, aims to improve public transportation by reducing the need for informal transportation (Lindau, Hidalgo, and de Almeida Lobo, 2014; Hidalgo and Gutierrez, 2012). In this case, Quito accomplished this during the period analysed. The municipal authorities realised that they could implement a system with little negotiation with the drivers. They understood that the new powers allowed them to plan a more organised transportation system for a longer period of time (at least 20 years, which is the life expectancy of the buses of Trolebús). Furthermore, they realised that part of decentralisation is communicating what they are doing to the citizens. Therefore, the communication campaign in favour of Trolebús and against the drivers helped to make the system more acceptable among citizens.

The analysis shows that, in this specific case study, improvements in urban transportation can be achieved when local authorities have competence (power) over the decision-making processes. The municipality was able to introduce a transportation system that could be seen as the first step towards a better urban transportation system. It went from a system that was not really structure and planned, to a first attempt to formalise integrated public transportation in the city. This improvement generated changes in the policy-making process because it set a new arena for the different actors, including citizens, who should be (though still they are not) the most important actor in any negotiation. The citizens were winners in the short term because they had an immediate solution. Nevertheless, in order to have a long-term solution, the authorities need to follow the planning of the system and continue to adapt to citizens’ needs and the local context.
The stories presented helped to understand that there was a change in the dynamics between the actors through a shift in the agenda setters, which meant that the preferences and outcomes changed. By the end of the implementation, the main three actors had witnessed different results. The municipality became the main actor. Central government granted some of its power, yet maintained the capacity for funding. Finally, the drivers were the main losers because their organisation was weakened and they lost their negotiation power with regard to public transportation in Quito. The authorities (central and local) possibly did not realise, but, through decentralisation, they found a way to decrease the power and influence the drivers had. The formula was to give certain competences (administrative decentralisation) from central government to the municipality so that the drivers would not know with whom they needed to negotiate their permanence in the system. This gave the municipal authorities the alternative to set the transportation system and assign other routes to drivers in order to remove them from the plan. However, this administrative decentralisation might only have been successful within this specific study case. It would be interesting to analyse Guayaquil and its BRT implementation in future studies. Furthermore, other future studies could focus on what happened with the actors and who is the agenda setter after the system had been implemented.

The process of decentralisation through the implementation of Trolebús provided learning experiences for the municipality. First of all, it is essential to maintain a good relationship with central government throughout administrative decentralisation because central government can approve the project and fund it. Furthermore, the municipality learned that different authorities in power might have different interests. Therefore, a project should begin and finalise (if possible) during the same political period. Second, the authorities from local government learned that it is important to show what is happening with the project to the citizens. It knew that support from the population had a huge political impact (on future elections), so it had to work with the media and communicate what it was doing. Third, the authorities knew that citizens would audit them so they had to be even more
committed with their work. Finally, they understood that decentralisation meant more involvement of citizens and civil society in projects. They realised that good solutions can come from the users of the transportation system. Therefore, their participation would be necessary in future projects.

As a final comment, the implementation of Trolebús became the first decentralised project with regard to transportation in Quito. After its implementation, central government started to give more power to the municipalities. The current constitution of Ecuador (2008) and the previous one (1998) show an increase in laws that try to decentralise power in Ecuador. With regard to transportation, it was not until 2014 that all municipalities obtained full competences (administrative and fiscal decentralisation). Each location has different necessities; therefore, the objectives and necessities of each municipality vary. Furthermore, each city presents different problems, and Quito seems to have solved the urban transportation issue. Nevertheless, although Quito has shown progress in urban transportation, there are still major improvements that need to be made with regard to rural transportation, which is also a competence of the municipality.
5. References


Boncompte, J. & Galilea, P., 2013. Identification Of Key Factors In The Design And Implementation Of BRT. 12th World Conference for Transportation Research, pp.1–17.


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6. Annex

Table 1 has the role of the people interviewed for this dissertation.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Former Mayor of Quito</td>
</tr>
<tr>
<td>2</td>
<td>Former Municipal Worker (Planning team)</td>
</tr>
<tr>
<td>3</td>
<td>Former Municipal Worker</td>
</tr>
<tr>
<td>4</td>
<td>Former Municipal Worker (Communications Team)</td>
</tr>
<tr>
<td>5</td>
<td>Former Municipal Worker (Planning Team)</td>
</tr>
<tr>
<td>6</td>
<td>Former Municipal Worker (Planning Team)</td>
</tr>
<tr>
<td>7</td>
<td>Former Councilman</td>
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<tr>
<td>8</td>
<td>Former Councilman</td>
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<tr>
<td>9</td>
<td>Former Central Government Worker</td>
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<tr>
<td>10</td>
<td>Former Central Government Worker</td>
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<tr>
<td>11</td>
<td>Drivers Representative</td>
</tr>
<tr>
<td>12</td>
<td>Former drivers representative</td>
</tr>
</tbody>
</table>

Table 1