Working Paper
No. 438

LEADING TO TRANSFORMATION?
The case of Participatory Budgeting at Local Level in Ayacucho, Peru

Gabriela Salinas Lanao[*]

March 2007

[*] ISS MA Research Paper Award winner for the academic year 2005-2006.

The Institute of Social Studies is Europe's longest-established centre of higher education and research in development studies. Post-graduate teaching programmes range from six-week diploma courses to the PhD programme. Research at ISS is fundamental in the sense of laying a scientific basis for the formulation of appropriate development policies. The academic work of ISS is disseminated in the form of books, journal articles, teaching texts, monographs and working papers. The Working Paper series provides a forum for work in progress which seeks to elicit comments and generate discussion. The series includes academic research by staff, PhD participants and visiting fellows, and award-winning research papers by graduate students.

Working Papers are available in electronic format at www.iss.nl/workingpapers.

Please address comments and/or queries for information to:

Institute of Social Studies
P.O. Box 29776
2502 LT The Hague
The Netherlands

or

E-mail: workingpapers@iss.nl

TABLE OF CONTENTS

ABBREVIATIONS

CCL	Local Coordination Council
CS	Civil Society
SC	Surveillance Committee
DA	Disabled Association
EI	Educational Institution
FBO	Function Based Organization
FONCOMUN	Fund for Local Governments
GRO	Grassroots' Organization
JN	District of Jesús Nazareno
LA	Leisure Association
LC	Local Committee
LG	Local Government
NGO	Non Governmental Organization
O.M.	Council Law
PA	Parent Association
PB	Participatory Budgeting
PC	Peasant Community
PrMA	Producer and Micro-entrepreneur Associations
SA	Settlement Association
StA	Student Association
SUNA	Small Urban Neighbours Association
TBO	Territorial Based Organization
TG	PB Task Group
TU	Terrritorial Units
UNA	Urban Neighbourhood Association
WA	Women Association
YG	Youth Group

ABSTRACT

Participation in development claims to have a transformative potential. Does it really live up to such claim? To answer such question we must look at how change occurs in spaces where citizen participation is encouraged.

     This paper studies the case of participatory budgeting at local level in Ayacucho, Peru. Through this case I assess whether and how political capabilities of citizens are enhanced, as well as the change in dynamics of power relations that occur in regularized and invited citizen participation spaces.

LEADING TO TRANSFORMATION?
The Case of Participatory Budgeting at Local Level in Ayacucho, Peru

1. THE INTRODUCTION…

Participation is under attack. Its potential for tyranny has been highlighted and all around the development world fingers are shaken to denounce and to shame it[2]. Whether the responsibility lies with participation or those who misuse it, is quite irrelevant given what interests us is the effects it has had (and still has) on development.

Don't get me wrong. I do believe in the power of participation as a guiding principle in development. I do believe people are responsible for their lives and have therefore the right to decide on matters that concern them. But I also believe participation must look seriously at what has been done in its name and ask itself whether that is really what it should be.

The recent defence of participation[3] claims that a radical re-conceptualization interested in creating new relationships between ordinary people, especially the poor, and the institutions which affect their lives, especially the government, will allow participation to show its true transformative possibilities (Gaventa, 2004a:25). It is in citizen participation spaces, where citizens take part in public decision making, that participation may transform development practice, social relations, institutional practices and capacity gaps. (Hickey and Mohan, 2004:13).

Nevertheless, the defence acknowledges that creating spaces and providing new institutional arrangements is not enough. Much depends on the degree in which *both sides of the equation* –the citizens' and the government's side- are strengthened, and how power relations which surround and imbue them are balanced (Gaventa, 2004a: 27-34).

On the aim of the paper…

Through this paper I intend to walk with participation in its journey of re-discovery. My aim is to assess whether citizen participation spaces live up to their transformative potential (i.e. do they allow change to occur), by looking at how citizens' capabilities strengthen and power relations at local level change through participation in these spaces.

On the case study…

For such adventure, I have chosen Participatory Budgeting (PB) at the local level with Ayacucho, Peru as a case study. There are four reasons why I made

---

[2] Participation: the New Tyranny? (Cooke and Kothari, 2001) organizes the main arguments of the attack.

[3] Participation: From Tyranny to Transformation? (Hickey and Mohan, 2004) is a clear, and enthusiastic, example of the defence.

such decision. Firstly, PB is a regularized[4] and invited[5] citizen participation space with concrete outcomes[6]. As it is carried out every year, it is possible to observe how change has occurred through time. Given it is a space where concrete outcomes are decided upon – the allocation of public budget-, the participation incentives are higher and therefore provide a rich source of experiences in participation. Secondly, this paper focuses on the local –district-level. This enables a closer look at the dynamics between local governments and citizens, without much interference of other actors in society.

Thirdly, PB in Peru has been created by law in 2003 and therefore, its implementation is still in the process of construction. The findings of this research could allow local governments, and other actors involved, to look critically at the space and create conditions that may promote further change in following years.

Finally, the choice of the region. Peru has 26 regions; each region composed by provinces and each province by districts. Ayacucho is one of the poorest regions in Peru (80% of its population live below the poverty line), where a harsh political violence period in Peruvian history initiated 25 years ago due to high inequalities and exclusion from government priorities. Assessing this kind of context allows identifying change more clearly as the relationship between citizens and the state has been historically weak.

On the arguments…

Throughout the paper, I argue that though the so-called "pre-conditions" of invited spaces, both of rough equality of power between participants (Fung and Wright, 2001:24-5) and citizens' capacities (Gaventa, 2004a:37) are important, they are hardly in place at the time when the spaces are created. I claim that, even though this contributes largely to shaping the space, it does not impede power inequalities and limited capacities to be changed as the space is implemented.

By looking at the strengthening of citizens' capacities and change in the dynamics of power, I conclude that though the process is slow and change has several limitations, the PB at local level in Peru constitutes a space where citizens meet the local government for decision making. In this space they strengthen their capacities and re-shape their power relations, even though the change cannot be attributed entirely to the dynamics within the space.

On the methodology…

The fieldwork was conducted in July-August 2006 in Ayacucho, Peru. In order to choose a district as case study, I visited six districts[7] in Ayacucho,

---

[4] See Cornwall's classification of citizen participation spaces (2002a: 18-22)

[5] See IDS's classification of spaces (Gaventa 2004a: 35)

[6] See Tanaka's classification of participation scenarios (Tanaka and Melendez, 2005:168-9)

[7] Jesus Nazareno and Carmen Alto are districts in the city and surroundings; they include ur-ban/rural/urban marginal areas. Accos Vinchos, Quinua and Tambillo are rural districts. Ayacucho is at the heart of the city.

interviewed their local governments and collected secondary data concerning their PB process (PB Minutes and Lists of Participant Agents). The choice of Jesus Nazareno (JN) as case study answered to the local government's openness and promptness in sharing information, as well as to their expressed intention of learning from the research.

By July, the PB for 2007 should already be concluded at local level. However, in Accos Vinchos, a rural district, the process had been delayed and their PB workshop took place during my stay in Ayacucho. My participant observation in the workshop allowed me to further study power dynamics in PB spaces.

The fieldwork involved 47 semi-structured interviews to local actors in JN, but also to NGO representatives following up the PB process, the provincial government and actors from other districts (see Annex A for List of Interviewees).

GRAPH 1. Number of Interviewees by Organization
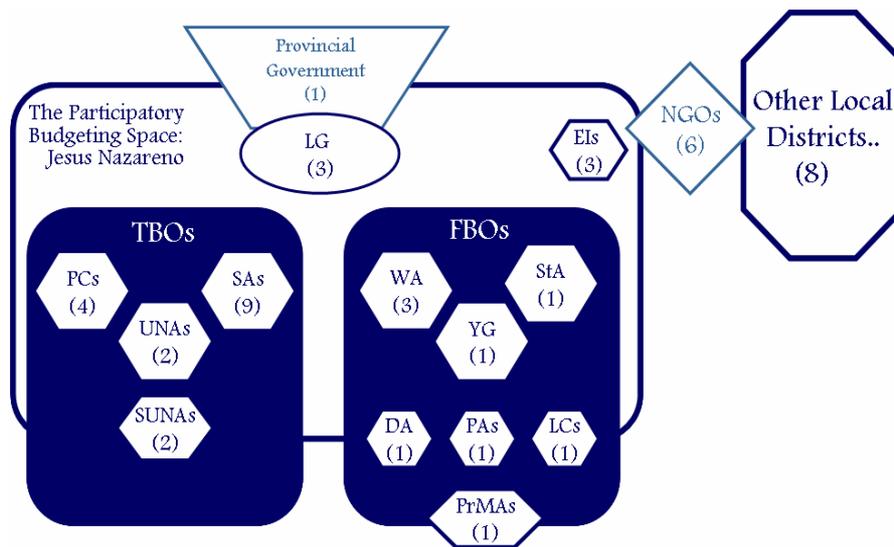
On the limitations…

The paper has several limitations; here I mention the most important ones. Firstly, we must consider that as the PB space was invited officially in 2003, it has only four years of existence. Though initial changes may be identified, the strengthening of capabilities and transformation of power relations are slow processes that require time before being evidenced. The paper thus limits itself to pointing out trends and evidence of change pointing towards transformation.

Secondly, the findings and conclusions of this paper are based on perceptions concerning change, given a baseline of capabilities and power relations does not exist. Interviews with all types of local actors, as well as to

NGOs following up the PB process try to address this limitation by comparing perceptions on change.

Thirdly, limitations of time for fieldwork did not allow a deeper exploration of power relations embedded in the space. To counterbalance, the paper points out the invisible expressions that were hinted through fieldwork, supported by literature on relationships in Andean societies.

Finally, the research focuses on power relations and the citizens' side of the equation, leaving the government's side unattended. This is an answer to an over-emphasis of efforts in Peru to strengthen government's capabilities for PB. By emphasizing the citizens' side, the paper seeks to balance the debate and initiatives promoting PB.

On the structure of the paper…

This paper is organized in 6 chapters. The 2nd Chapter provides a theoretical background to the concepts used in the research. Chapter 3 provides the case study's background by describing the PB space at local level. Chapter 4 assesses the change in citizens' political capabilities, while Chapter 5 does the proper with power relations embedded in the space. The last Chapter draws conclusions on both processes of change, linking them to the general re-shaping of the space. It revisits the academic debate and seeks to provide answers to the general research question.

2. THE CONCEPTS…

> The partiality of agency, the inequality of structure... Our challenge is to use an understanding of the dynamic nature of such duality to identify opportunities for change. (Cleaver, 2004:276)

2.1 On Citizen Participation…

The relationship between participation and development is not a recent one. It comes from quite a way back. But it was only in the 90s that participation entered almost every field of development activity. By the turn of the century, it was embedded in development speak (Chambers, 2005:101).

The relationship, however, is in constant renewal. The increasing tendency to relate participation with the decision making status of the higher rungs of the ladder[8], and not with mere involvement, has resulted in a shift of participation towards citizenship, in which people become actors and agents (makers and shapers) in broader processes of governance (Cornwall and Gaventa, 2001:2-4).

Citizenship links participation in the political, community and social spheres, where citizens are engaged in the decisions and processes that affect

---

[8] Participation ladders are a common way of typifying participation. Based on Arnstein's (1969), the ladders (See Plummer,2000 or Chambers,2005) represent a continuum that goes from non-participation or manipulation, through joint decision making or partnership, up to citizen mobilization or control.

their life (Gaventa and Valderrama, 1999:4-6). In this approach, citizen participation is a human, civil and political right -an end in itself- that is also a prerequisite for making other rights claims, enabling people to act as agents -a means- (see Lister, 1998:228; Wils, 2001:10; Ferguson, 1999 in Gaventa, 2002:3; Rocheleau and Slocum, 1995:19; Kaufman, 1997:7).

2.2   On Spaces…

The notion of citizen participation spaces is born out of the tendency in the development discourse to use spatial metaphors when addressing participation in development. According to Cornwall, "(e)fforts to engage participation can be thought of as creating spaces were there were previously none, about making room for different opinions to be heard where there were previously none, (or where) there were very limited opportunities for public involvement, and about enabling people to occupy spaces that were previously denied to them" (2002a:2).

 Cornwall's notion of spaces draws on the work of Lefebvre, Foucault and Bourdieu (Cornwall, 2002a:6-8). Their work allow an understanding of social spaces as dynamic spaces, produced according to particular ways of thinking about society and embedded by patterns of social interaction in constant reconfiguration. They also imply that spaces "interpenetrate one another and/or superimpose themselves upon one another" (Lefebvre, 1991:86), as relations of power within and across them are constantly reconfigured.

The spatial image of participation helps draw attention to the aspects of participatory initiatives that tend to be overlooked, such as, and especially, the power relations that permeate and produce these and other spaces (Cornwall, 2002a:3-8, also Pimbert 2003:155). Therefore, a close look at how spaces are shaped, "understanding their production, the actors, policies and interests giving rise to them, and the configuration of other spaces surrounding them" (Cornwall, 2004:78), is critical for "assessing the contributions participatory initiatives can make to democratic practice and understanding their power dynamics" (2002a:8).

This view also calls for a location of spaces in the places in which they occur, "framing their possibilities with reference to actual political, social, cultural and historical particularities" (Cornwall, 2002b:51). The focus on *places* or levels allows examining the vertical linkages of actors, institutions and power relationships across arenas (Gaventa, 2004a:36)

Based on who creates them and why they are created, a classification of citizen participation spaces was developed by the IDS Participation, Power and Social Change Group. This classification suggests a continuum of spaces, which include (i) closed spaces, (ii) invited spaces, and (iii) claimed/created spaces.

On one extreme of the continuum, *closed spaces* are the "spaces in which decisions are made by a set of actors behind closed doors, without any pretence of broadening the boundaries for inclusion" (Gaventa, 2004a: 35). On the other extreme, *claimed/created spaces* are "spaces which are claimed by less powerful actors from or against the powerholders, or created more autonomously by them" (ibid).

11

Invited spaces are those in which people are invited to contribute to development activities intended to benefit them (Cornwall, 2004:79). They are government-provided institutions, whether in response to popular demand, donor pressure or shifts in policy. These spaces "offer one important vehicle through which development intervention can support a more transformative participation" (Cornwall, 2004:76). How this potential is translated into reality depends on a range of factors. One is the locus of their creation: *conquered* spaces, a result of successful demands vs. *provided* spaces, simply put in place due to pressure of donors or authorities.

In a Civil-Society Participation Evaluation (Guijt, 2005), different categories of invited spaces were identified, differing on whether they are "formal by right" or "formal by invitation". Spaces formal by right are those spaces mandated or legislated. Spaces formal by invitation are those spaces in which participation is officially offered in some way. In this paper, the categories are renamed "*invited-by-mandate spaces*" and "*invited-by-own-decision spaces*", respectively, in order to best relate to the closed, invited and claimed spaces jargon.

Moreover, in an earlier classification, Cornwall distinguished spaces based on their relative durability combined with whom created them. The four categories are (i) *regularized institutions*, "which serve as an interface between people and authorities of various kinds" (2002a:18); (ii) *transient institutions* aiming at "opening up deliberation over policies or service delivery priorities, rather than making decisions" (ibid:19); (iii) *alternative spaces*, "in which the citizens act *without* (both outside, and in the absence of) and *on* it" (ibid:20); and (iv) *movements and moments*, characterized by their impermanence, since they "exist as a locus of identification, fading away without the issues around which these identifications are shaped" (ibid:22).

The first category, *regularized institutions,* entails framings which "affect how issues are debated within them, how the perspectives of different kinds of participants are viewed, whose participation and contributions are regarded as legitimate, and indeed, who gets to participate at all" (Cornwall, 2002a:18). This is, in purest sense, the analysis of the dynamics of power relationships that this paper engages with.

However, enhancing citizen participation requires more than simply making spaces available for people to engage in public decision-making. In order to lead to change in status quo, which would entail challenging the dynamics of power and creating new relationships, attention must be paid to the citizens' capacities. According to Gaventa, without the pre-conditions of participation, namely the citizens' "sense of their own right to claim rights or express voice and (…) strong capacities for exercising countervailing power against 'rules of the game' that favour entrenched interests, new mechanisms for participation may be captured by prevailing interests" (2004a:37). So now I turn to look at the citizens' side of the equation.

2.3 On Capabilities…

Invited spaces for citizen participation will only be useful if there are citizens able to enter and exercise voice in them (Cornwall, 2004:85). But what does

being able to participate in invited spaces mean? This section presents the concept of Political Capabilities and then describes the framework used to assess political capabilities for citizen participation and their development.

2.3.1 The Political Capabilities Approach

Sen's Capability Approach focuses on the "agency role of the individual as a member of the public and as a participant in economic, social and political actions" (Sen, 1999:19). For Sen, a person's capability "refers to the alternative combinations of functionings that are feasible for her to achieve" (ibid:75). The functionings reflect the various things a person may value doing or being, including being able to take part in the life of the community (ibid).

In this approach, the expansion of capabilities is desirable in itself as it allows people to have a lifestyle they value -intrinsic value or capabilities as an end-; but is also desirable given the "role of capability expansion in bringing about *social* change" (ibid:296) – instrumental value or capabilities as a means-.

Political capabilities, a concept coined by Whitehead and Gray-Molina (1999, 2003), draws from Sen's Capability Approach and is "interested in those cumulative and sustained interactions that socialize the poor into potentially constructive relationships with their social partners and with central or local agencies of the policy making state" (Whitehead and Gray-Molina, 1999:5). The political capabilities are "available for political action, (that is) to influence the policy making process" (Whitehead and Gray-Molina, 2003:32).

Based on the work of Whitehead and Gray-Molina, Williams states that political capabilities "provide the set of navigational skills needed to move through political space, and the tools to reshape these spaces where this is possible" (Williams, 2004:95). He claims that participation can allow transformation by developing the political capabilities of the poor, as the political capabilities advance their room for manoeuvre within local power relations. As a result, he argues participation assessments should include the analysis of how participation contributes "to processes of political learning among the poor" (ibid:96).

In this line, Cornwall stressed having a voice "depends on more than getting a seat at the table" (2004:84). Gaventa, from lessons learned from new and innovative forms of citizen participation in local governance (2004b), also concludes there is a need to work on the citizens' side of the equation. As citizens become representatives in deliberations with local bodies, leadership and organizational capacities are essential (Gaventa, 2004b:21).

2.3.2 The framework

The focus on the development of political capabilities "is meant to call attention to the process of potential learning that lies behind political action by the poor" (Whitehead and Gray-Molina, 2003:36). The following framework draws from the reflections of Williams, Cornwall and Gaventa, and is the tool used for assessing the main political capabilities for citizen participation and their development over time.

1. *Awareness.*

Awareness, derived from Freire's *conscientização* (1970- 1993 edition), refers to the ability of citizens to critically acknowledge the main features of the space and the relevance of their participation in such decision-making space. As Freire claims, through *conscientização* people become "responsible Subjects" and may question the status quo (1993:18).

Awareness as a political capability for citizen participation involves first recognizing participation as a right. As Gaventa mentions, it involves a sense of their own right to claim rights or express voice (2004a:37), as well as a broad-based awareness of the opportunities and processes for engagement and of the rights and responsibilities of participatory citizenship (2004b:21).

In this sense, and drawing from Foucault's work, discourses of participation play an important role (Kendall and Wickham, 1999:34-46). Conceiving themselves as "beneficiaries", "clients", "users" or "citizens" influences what people perceive they are able to contribute or entitled to know or decide (Cornwall, 2002a:18).

Awareness also includes acknowledging that decision-making is not neutral or impartial, that power structures and relationships are always embedded, and decisive, in these spaces. As Gaventa claims, "(n)aming power relationships and helping community leaders learn to map how they affect participatory processes constitute the first step in beginning to confront them"(2004b:24).

Finally, awareness also entails the continuous process of reflecting critically on what is being learned. It requires citizens able to consciously organize and systematize their experience and participation in the space so that, knowing it better, they can better transform it (Freire, 1993:21).

2. *Knowledge*

Being knowledgeable and understanding the space's process includes the knowledge of legal rights and procedures that shape the space, as well as the roles and responsibilities of different actors in the space (Gaventa, 2004b:21).

Cornwall adds the ability to make sense of complex information, as well as the understanding of the language used by technical specialists (2004:85). In the specific case of PB, it involves the knowledge on fiscal issues, such as the local government's budget management and expenditure.

3. *Decision-Making and Negotiation Skills*

In invited spaces, the main aim is the inclusiveness and participation of citizens in the decision-making of public issues. In a process that intends careful deliberation, promoted by trends of deliberative democracy (Gaventa, 2006:17; Fung and Wright, 2001:19), decision-making and negotiation skills of the citizens are essential for the space to be significant.

In the context of citizen participation, decision-making skills consist of the ability of citizens to engage in the process of proposing and prioritizing relevant ideas or suggestions for their locality. Decision-making skills include being able to: find and make sense out of reliable and relevant information; identify local development priorities, by acknowledging relevant problems and

needs in the locality; formulate viable and relevant alternatives, projects and strategies to address the local development priorities; and define pertinent criteria to assess the alternatives, and strategies proposed. (Salinas, 1994:14)

The negotiation skills, mentioned by Gaventa (2004b:21), consist of the ability of citizens to present their projects with clear arguments, convince other participants of their relevance, while being sensitive to others' needs. These skills include the capacity to communicate their proposals with solid arguments in an assertive way, being able to persuade fellow participants of the relevance of their proposals while being empathic with the needs and opinions of other citizens.

4. *(Political) Organizational capacity*

Political Organizational capacity involves the ability of citizens to organize. Gaventa (2004b:21) emphasizes the importance of collaborative and democratic leadership capacities including skills in representation (how to listen to one's own community; how to report back and be held accountable by them). He also highlights the relevance of strong, democratic community organizations that know how to select, support and hold their leaders accountable.

The capacity to organize also addresses the existence of "processes of information sharing and communication that can enable and support a culture of accountability and transparency" (Gaventa, 2004b:21); internal cohesion; appropriate mechanisms for conflict management; and the ability of organizations to overcome the costs of participation. The social and power relations that exist within their associational domain also affect their ability to exercise citizens' voice in participation spaces (Cornwall, 2004:85).

5. *Networking*

Networking is the ability of citizens to relate and cooperate through their associations with other associations, organizations or institutions. In citizen participation spaces, the alliances with other actors affect the influence the organizations have within the space. As Biekart states, "alliances enable societal actors to join forces for mobilization on common claims" (1999:99).

Networking relevant for citizen participation is expressed in horizontal linkages, between grassroots organizations at the same level; and vertical linkages, between grassroots organizations and other institutions at different levels.

According to Williams, "linking (the) understanding of political space with an assessment of political capabilities can in turn suggest a range of ways in which participation can be used to call state power to account" (Williams, 2004:97). Now we turn to look at the power relations which both spaces and political capabilities try to affect, while at the same time being deeply affected by their dynamics.

2.4 On Power…

So citizen participation spaces are embedded and shaped by power dynamics. But what does this elusive concept mean? In spite of its centrality in social and

political sciences (see Giddens,1997:338; Heywood, 2002:10; or Leftwich,1984:63) or perhaps precisely because of it, the possibilities of comprehensively grasping and understanding power remain a major challenge for academic and practitioners alike. This section provides an overview of the approaches to power and then describes the framework used to assess power and change in its dynamics (see Annex B for more detail on approaches to power).

2.4.1 Approaches to Power

In social sciences, the foundations of the theories of power lie in the work of Marx and Weber (Waters, 2000; Haugaard, 2002). Questions on the nature of power have been raised: whether it is owned and by whom or it is relational; whether it is more structure or agency related; and whether it is conflictual or consensual, or both.

In political sciences, the key focus of debate seems to be the issue of concentration of power rather than its substance (Waters, 2000:240). The analytical tradition accepts that power is potentially distributed widely throughout society and therefore present in all social relationships. In this view, power differences emerge within interaction from the intentions of agents pursuing their interests (ibid).

Dahl, specifies "(p)ower terms refer to subsets of relations among social units such that the behaviours of one or more units (R, the responsive units) depend in some circumstances on the behaviour of other units (the controlling units, C[9])" (Dahl, 1968:407). His analysis assesses who influences the decisions made based on who initiates and who vetoes decisions (Waters, 2000:241).

Bachrach and Baratz considered this is a limited view of power: "Of course power is exercised when A participates in the making of decisions that affect B. (But) Power is also exercised when A devotes his energies to creating or reinforcing social and political values and institutional practices that limit the scope of the political process" (Bachrach and Baratz, 1970:7).

They add to Dahl's definition by taking into account non decisions, defined as the "means by which demand for change (…) can be suffocated before they are even voiced, or kept covert; or killed before they gain access to the relevant decision-making arena; or (…) maimed or destroyed in the decision implementing stage of the policy process." (ibid:44)

Steven Lukes transformed Dahl's and Bachrach and Baratz's theories of power into dimensions of power and adds a third one, which deals with the "exercise of power to prevent people (…) from having grievances by shaping their perceptions, cognitions and preferences in such a way that they accept their role in the existing order of things, either because they can see or imagine no alternative to it, or because they see it as natural or unchangeable or because they value as divinely ordained and beneficial" (Lukes, 1974:24-5).

Michel Foucault's work on power is probably the most controversial in social and political sciences and yet receives increasing interest from power

---

[9] In an original article, Dahl refers to B and A rather than R and C.

researchers and theorists. For Foucault (1983:219), the question on "how" power is exercised implies placing power relations as the object of analysis and not power itself.

Admitting the exercise of power is a relationship between partners in which certain actions modify others, implies that something called power, which is assumed to exist universally in a concentrated or diffuse form, does not exist (ibid): "it is never localized here or there, never in anybody's hands, never appropriated as a commodity or piece of wealth" (Foucault, 1980:98). In this definition, "the individual is an effect of power, and (…) the element of its articulation" (ibid).

2.4.2 The framework

Given that the paper is framed as the study of citizen participation spaces, I have chosen a framework of analysis extensively used by the Participation, Power and Social Change Team of the Institute of Development Studies as a tool for assessing the power dynamics within citizen participation spaces.

This framework is based on the work of Lukes (1974) and Gaventa (1980) and coined by VeneKlasen and Miller (2002). It considers three levels in which power relations are expressed, which correspond to the three-dimensional view developed by Lukes (1974).

The framework acknowledges that power does not always operate in visible ways, and therefore provides a tool for identifying less visible expressions of power, usually unattended in other frameworks. My own adaptation of the framework seeks to emphasize some key issues pointed out in Foucault's understanding of power.

1. Visible Power

This level includes the visible and openly held aspects of power relations, "the formal rules, structures, authorities, institutions and procedures of decision-making" (VeneKlasen and Miller, 2002:47).

In the analysis of visible power relations in invited citizen participation spaces, this paper assesses (i) the legal framework of the space and (ii) the decision-making structure and procedures, as well as the changes that have taken place in both dimensions.

2. Hidden Power

At this level, power relations place boundaries on participation and exclude certain actors or views from entering the space. It entails a mobilization of bias and interests of certain groups, which result in the exclusion and devalue of the concerns and representations of other less powerful groups. (Veneklasen and Miller, 2002:47).

When assessing this level of power, this paper engages in the identification and assessment of "windows" through which hidden power enter the citizen participation space. By looking at changes in the way these windows are used, the paper analyses the change in hidden expressions of unequal power relations.

3. *Invisible Power*

At this level, the dynamics of power operate embedded in social and cultural structure and norms in ways that render competing interests and problems invisible. By influencing "how individuals think about their place in the world" (VeneKlasen and Miller, 2002:48), this level is related to deeper social conditioning, effects of knowledge, ideology and worldviews that enhance authority of certain groups, control of the access to information and exclusion of other groups' interests. Examples of internalized forms of power are "long-established forms of deference based on class, gender, education and other hierarchy" (Gaventa, 2004b:24)

The assessment of invisible power would require a detailed study of the dynamics of relationships within society, as well as of the historical and cultural background. Given the limitations of this research, this level of power can only be hinted by the fieldwork. Based on the perceptions of NGOs and literature on Peruvian society, the changes those power dynamics are experiencing is suggested.

3. THE SPACE…

> Those who believe in decentralization are forced to innovate, due to the constant appearance of new problems, in a process that does not conclude its consolidation. Fortunately, this forces them to be polemic and tolerant and to accept that some initiatives, such as the participatory budgeting, can be much better. (Grompone, 2006)

3.1 Background of Citizen Participation in Peru

In Peru, the mechanisms of invited participation were first implemented by some left-winged Local Governments (LGs) in the eighties. These experiences multiplied throughout the nineties, in most cases with the intervention and assistance of an NGO (Remy, 2005:117-8). In 1994, a Law on Citizen Participation was approved. This law described the participation rights of citizens, providing a framework for potential popular or claimed spaces, but not for the implementation of invited spaces.

Citizen participation, as the inclusion of Civil Society (CS) representatives at different levels and in diverse public programmes and institutions, was strongly introduced in 2001 by the in-transition government at the time. This government had set out to institutionalize democracy after several years of an authoritarian government and conceived citizen participation as a means to achieve it. Though the government only lasted a year, it was committed to build the framework and institutions that would allow participation and *concertación*[10] to be included in public decision-making.

Later on, a new government was established and the process of decentralization, central emphasis of the electoral campaign, initiated in 2002.

---

[10] Concertación (concertation) refers to the process of dialogue and negotiation by which different actors are able to build agreements on certain issues.

This process led to the election of regional governments in 2003 and to the reformulation of the roles and responsibilities of LGs. As part of this process, the new Law of Municipalities (2003) conceives the formulation of Concerted Development Plans and annual Participatory Budgets as main mechanisms of citizen participation, and a whole framework for its implementation was created.

3.2   Participatory Budgeting in Peru

Participatory Budgeting (PB) is an institutional architecture for decision-making through which the people prioritize municipal investments in public works and services (Chavez, 2004:160). PB in Peru is then an "invited" citizen participation space. The government, at national, regional and local levels, opens up to include citizens in the decision-making concerning the allocation of their budgets.

Though spaces of PB had been invited by some LGs in the previous years, the space is officially created by mandate in 2002-2003, according to an extensive legislature that is framed by the Law on Decentralization (2002), that includes a Law on Participatory Budgeting (2003), is specified in the Law of Regional Governments (2002) and Law of Municipalities (2003), and detailed in the PB Guidelines that the Ministry of Economy and Finance publishes every year (2004, 2005, 2006). The legal framework defines the PB process as a mechanism of just, rational, efficient and transparent allocation of public resources, which strengthens the relationship between State and Civil Society (Law on PB, 2003).

GRAPH 2. Sequence of the Participatory Budgeting Process
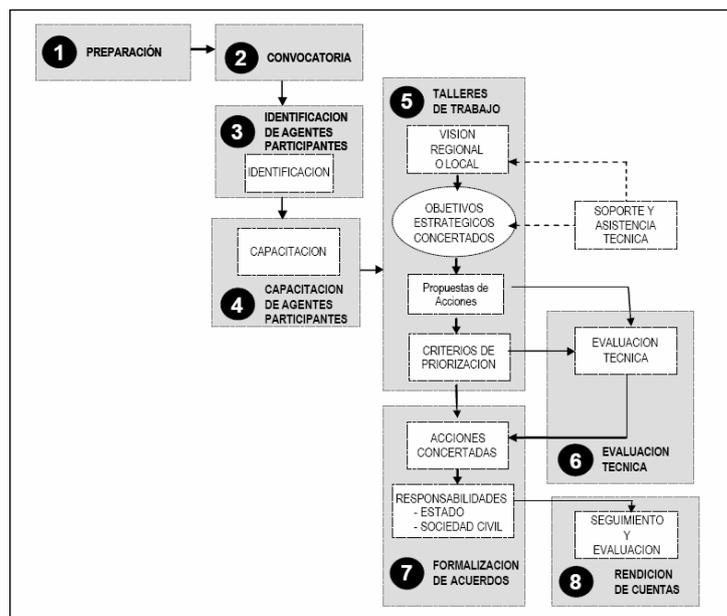
Source: PB Guidelines (2003-2006)

The participatory process is sequenced in eight stages (PB Guidelines, 2004-2006). These include: (1) preparation; (2) call; (3) participatory agents' identification; (4) training; (5) PB workshops; (6) technical evaluation; (7) formalization of agreements; and (8) accountability.

3.3 Participatory Budgeting at local level –districts in Ayacucho

Local and regional governments were expected to start implementing PB as soon as it was legislated. As a result, PB at local level is an *invited-by-mandate space*, as participation in the space is a right established by Law.

In Jesus Nazareno (JN), a local district of Ayacucho, the space was created in 2003[11] as a result of legal requirements of the central government, and not as a result of the LGs' acknowledgement of the importance of citizen participation in public decision-making. By then the Local District Government, recently created in 2002, had already engaged in the participatory process of formulating the district's Development Plan. This process included the participation of multiple local actors.

In the first experience of PB -2003-, a wide array of registered grassroots organizations (GROs) participated[12] throughout the process. In this first year, the district was divided into six zones, each one including one or several territorial units (TUs). The TUs in JN include peasant communities (rural), settlements (urban marginal) and neighbourhoods (urban). Each TU has a "traditional" (as opposed to smaller, street or block-based) territorial based organization (TBO) that is expected to represent the whole unit, whether a Peasant Community Association (PC), Settlement Association (SA) or Urban Neighbourhood Association (UNA) (see Annex D for JN's Zonification).

In 2004, the number of GROs participating in the participation space diversified. Though there was a decrease in the participation of TBOs, the function-based organizations (FBOs), including interest groups, increased their participation[13].

In 2006, JN's LG provided a Council Law (O.M.091, 2006) specifying the requirements for participating in the PB space. In order to overcome the barrier to participation set by the national laws, JN does not require organizations to be registered in public records or three years of proven existence. The GROs may register as participant agents as long as they sign up in the LG's records and present a signed document from all members of their organization stating who they have elected to represent them in the process.

In the PB workshops of 2005 and 2006, the participation of "traditional" TBOs consolidated. However, there has also been an increase in the participation of smaller organizations from the urban zones, such as street or

---

[11] For a clear image of the local actors involved in Jesús Nazareno's PB throughout the years, as well as other actors influencing the space, see Annex C.
[12] Including 24 TBOs, 6 FBOs, 1 educational institution and 1 NGO.
[13] Including 17 TBOs, 10 FBOs and 3 educational institutions.

block associations (SUNAs). Their appearance is an answer to the increasing difficulties of the UNAs in organizing and representing all its members.

On the other hand, the participation of FBOs has significantly decreased. Though the participation of the women association (WA), a youth group (YG) and a student association (StA) is assured due to their inclusion in the Local Coordination Council, the participation of other FBOs, such as a disabled association (DA), leisure associations (LAs) such as sports leagues or social clubs, and local committees (LCs) varies and has tended to decrease.

Finally, the participation of Educational Institutions (EIs) has also been consolidated in the last experiences of PB. Their participation is accompanied by the participation of the Parents Association (PA). Even though they are technically not a GRO, their participation is very similar to the FBO's.

3.4 Linked Spaces…

The process of decentralization and the PB space have resulted in the creation of three institutions. The Local Coordination Council has been created as part of the overall decentralization process. The other two, the Task Group and the Surveillance Committee, have been created specifically for PB purposes. These institutions are invited spaces created by mandate but adapted locally. As citizen participation spaces they also entail power structures and relationships of their own.

3.4.1 Local District Coordination Council – CCL

The CCL is an invited space created by mandate. There are two aspects of the legal definition of the CCL that reveal the measures taken to protect the decision-making autonomy and authority of LGs. First, the establishment of a quota for civil-society representatives in the CCL tilts the balance in favour of the LG. Given the quota is of 40%, the majority of CCL members are from the LG. Second, the CCL is defined as a coordination and concertation entity where in absence of agreement the LG can proceed to make its own decisions.

BOX 1. Local Coordination Council – According to National Law

> The CCL is a coordination and concertation entity of the LG. The main responsibility of the CCL is to coordinate and agree on the Local Development Plan and Participatory Budgets. The CCL includes representatives both from the Government and from Civil Society. According to the law, 40% of the CCL must be CS representatives.
>
> The CS representatives in the CCL shall be elected by all accredited representatives of civil society organizations recognized by the LG. To be recognized, the law specifies these organizations must be registered in public records and have at least three years of proved institutional activity.
>
> The CCL must gather at least twice a year. For its sessions, at least half plus one of its members must be present. The lack of agreements reached by consensus in the CCL does not impede the local council from making decisions on what is pertinent.

Source: Law of Municipalities, 2003

As a result, this space must not be mistaken for a decision-making space, but rather seen as a consultative space, where opinions of civil-society representatives, but not real power for decision-making, can be expressed and discussed.

BOX 2. CCL Composition in JN

In Jesus Nazareno, the CCL was formed in 2003 with only 2 civil-society representatives in it. In 2005, JN's LG provided a Council Law (O.M.070, 2005) detailing its roles and responsibilities, as well as its composition. The main responsibility of the CCL is to promote the PB process. The responsibilities of the CS-representatives are to organize the elaboration of proposals in their organizations and coordinate with other civil-society organizations to present common proposals. In practice, most CS-representatives do inform and help the territorial based organizations organize their proposals but this is pretty dependant on the organization capacities they already have.

The Council Law specified the number of representatives in the CCL by zone according to the territorial units it includes and the size of each one of them. As a result, 23 CS-representatives are now part of the CCL, 80% of the total CCL members, even when it is only required by law to include 4.

All TUs are included in the CCL except two. One of them s a settlement which has long been associated with another unit and, according to the interviewed has limited organizational capacity. The other one is a large urban neighbourhood with a history of political opposition to the mayor. The leader has decided not to participate in matters related to the LG, and the mayor seems to act accordingly.

According to interviews to citizens from this neighbourhood, the attitude and behaviour of the leader does not seem to be supported by the neighbours. As the YG leader said, *"The leader (…) excludes himself and then there are no projects for the area, but that is his own personal issue"*.

Additional to the TBO-representatives, the council law also requires women, youth and student organizations to be included as CS-representatives in the CCL. Consequently, the composition of the CCL since 2005 includes 19 TBO-representatives, and 4 representatives from women, youth and student organizations. (See Annex E)

The CCL is supposed to meet at least twice a year. In JN it has met more than twice but in the meetings the proposals on the civil-society's side are rare and there are mixed perceptions regarding the dynamics between CS and LG representatives. According to a UNA representative-CCL member he refuses, proposes and questions but as *"the members in the CCL are little lambs, and through voting they end up accepting everything. The mayor manages them because he has carried out projects in their zones"*.

Source: Jesus Nazareno's Council Law O.M. 070 (2005), PB Minutes and Interviews.

Overall, the CCL in JN is an invited space that has gone further than the legal requirements in its effort of including civil-society in its composition and being a coordination entity. However, the CS-representatives in JN's CCL have not assumed a protagonist and proactive role and do not fulfil their responsibilities and functions completely.

Though several CCL members appreciate the institution as a space where they are consulted for decisions regarding the budget, an NGO representative considers "*it still needs to be strengthened, it is there just by name and the members are not propositive*". Even the local councillor leading the PB acknowledges "*the CCL has generally not worked although in Jesus Nazareno there are more CS-representatives than the law stipulates*". JN's CCL has not been able to become a "living" institution, as it leaves most responsibilities to the Task Group and basically meets to approve LG proposals.

3.4.2 Task Group –TG

BOX 3. Task Group – According to National Law

> The Task Group (TG) is an institution created specifically for PB. The TG's mission is to provide technical assistance in the PB process. It is responsible for preparing and providing relevant information for decision-making to participant agents; carrying out technical evaluation activities; organizing the training of participant agents and LG authorities; and documenting the PB process.
>
> The PB Guidelines for 2005 specify the Task Group is integrated by civil servants from the Planning and Budgeting Office of the LG, *"also being possible to be integrated by experienced professionals in planning and budgeting issues"* (PB Guidelines 2004:24). In the PB Guidelines for 2007 the same composition is stated though now the CCL is "*also integrated by experienced professionals in planning and budgeting issues, coming from civil society"*.

Source: PB Guidelines for 2005, 2006, 2007

The TG was created as a closed space, though it allowed the possibility of civil-society professionals in it. Now, with the slight change of words in the PB Guidelines, it has become an invited-by-mandate space. However, it is highly selective, only professionals in planning and budgeting issues are allowed into it. At the local level, these professionals are obviously scarce. Though it opens the space for participation, the requirements make citizens' involvement de facto most unlikely.

BOX 4. The Task Group in JN

> In Jesus Nazareno, the TG was formed in 2003. In 2006 the Council Law O.M.091 detailed its composition and responsibilities. According to such Law, the TG is the responsible of leading the PB process.
>
> It is integrated by the mayor, two local councillors and five civil servants from the Offices of Planning and Budgeting, Infrastructure and Administration. Unlike most districts, Jesus Nazareno's TG also includes two CS-representatives elected by all CCL-CS representatives.

Source: Jesus Nazareno's Council Law O.M.091 (2006)

In JN, the TG takes the leading role in the PB process. They prepare the official invitations to the PB, even though the CCL is expected to be responsible to assure that all CS organizations are invited. They also are entirely responsible for evaluating the project proposals from the PB workshops. Even though the TG includes two CS-representatives and invites them officially to their meetings, these do not assist to the meetings of the TG nor do they assume responsibilities in it. Though the exact reasons why this

happens are not yet clear, the assessment of citizen participation capacities and power relations seek to throw light on a possible answer to this question.

3.4.3 Surveillance Committee – SC

BOX 5. Surveillance Committee – According to Law

The Surveillance Committee (SC) is an institution integrated by members of civil society, elected by the participant agents of the PB. In the PB Guidelines for 2005, the SCs are specified but its responsibilities and composition is not fully detailed. The PB Guidelines for 2007, in contrast, provide a comprehensive account of its composition and of its functions.

Its main responsibilities are to follow the different PB stages; assure the PB agreements are included in the LG Budget; assure the establishment of a schedule to implement the projects; to guarantee the resources are invested accordingly; inform the CCL on the results of their responsibilities; and assure accountability mechanisms are implemented by the LGs.

Source: PB Guidelines for 2005, 2006 and 2007

The Surveillance Committee (SC) is an invited space created by mandate. Though its composition and functions suggest it should be a claimed space, owned and created by the citizens, the SC has had problems in taking off as such. The further specification of its roles and responsibilities in the PB Guidelines of the last year is an attempt to improve the situation.

BOX 6. The Surveillance Committee in JN

In Jesus Nazareno the Surveillance Committee was created in 2005, according to Council Law (O.M.079, 2005). Its main functions are to follow the PB process, the LG accountability and the implementation of agreements of civil-society.

It is integrated by four members of CS elected in the last PB workshop of 2005. The members remain the same until December 2007. The members have never met after they were elected.

Source: Jesus Nazareno's Council Law O.M.079 (2005), PB Minutes and Interviews.

In Jesus Nazareno, the SC is very weak. There is no engagement of its members in the surveillance activities and the LG does not show much interest in promoting their participation either. A similar panorama exists in other districts. In a PB workshop, SC members pointed out their own economic activities did not allow them to carry out SC time-demanding activities: the transaction costs of participating in this space may be too high.

The weakness of this institution allows the LG more room for manoeuvre. As the Planning and Budget Officer admitted, *"The SC does not work; they do not*

come, though we have not called them either. Then, it is easier to do whatever we want. The good thing is that the mayor, more than being political is technical".

3.4.4 The linkage between spaces

According to Law, the CCL is responsible for the PB coordination and agreements while the TG is the institution that provides technical support to such process. The SC is the institution responsible for following up the PB process and assuring that the agreements reached upon are implemented.

In JN, according to Council Laws (O.M.070, 2005; O.M.079, 2005; O.M.091, 2006) the TG is the institution in charge of leading the process, while the CCL has the task of promoting the PB. The CCL-CS representatives are the responsible for the inclusion of civil-society in the process. The SC has been constituted formally but has not been able to carry out any activities.

The roles and responsibilities of the three spaces reveal several overlapping areas. Though they should be closely linked, the overlap also leads to misunderstandings and coordination problems between them, as seen in the power relations' assessment.

3.5   Different Places…

In Peru, PB occurs at regional and local, both provincial and district, levels, and the different levels should be articulated through "feedback (…) from districts to the province and from provinces to the region, as well as the other way around" (PB Guidelines, 2006).

However, the articulation between the different places is not easy. The district level has not been able to propose projects of provincial or multidistrict impact and as a result, the provincial PB is divided equally between the districts, after approving a few provincial projects proposed by the provincial government (Provincial PB Report, 2005; 2006). At regional level, the link with lower levels is even weaker. The PB ends up being a beauty contest, with private and public institutions pushing for their projects rather than an articulation of the lower levels. As an NGO-representative states, it becomes "a battlefield, a market. There is no common language, no previous process".

The shape of the PB space at local level is greatly influenced by the relations at national level. The changes in the legal framework are a result of the negotiation between civil-society organizations and public institutions in the national arena, and those changes affect the shape of the space at local level as is later addressed in the power relations assessment.

Finally, the citizens' new capabilities and experiences acquired in the PB space are used in their own created spaces (associations); and vice versa, their organizational capacities affect the influence they have in the PB space. The feedback between spaces is now addressed in the capabilities assessment.

4.   THE CAPABILITIES…

4.1 Awareness

> "What I have learned from the PB is that one can and must be part of the decision-making of one's locality. One must fight for his/her principles and fulfil his/her responsibilities within the locality."(WA-representative)

When asked about their general perception on PB, the local actors in JN provided two types of answers related to their awareness of participation as a right. The first type stresses the advantages of being entitled to participate in the decision-making of budget allocation. This discourse of participation suggests citizens conceive themselves as "makers and shapers".

> *"through PB we claim our rights, the rights of our sectors"*
> *(WA-representative);*
>
> *"how are we going to improve if we are not on the stage? If we are actors we have to look for alternatives."(UNA-representative and CCL member)*
>
> *"it is important to have this space, where the society decides what to do and how to respond to the needs of its people" (DA representative)*

The second type emphasizes the appreciation for being invited to a space where their voices can be heard. This type of answer reveals a perception of the space more as an expression of kindness of the mayor, than a right they are entitled to. This discourse suggests people conceive themselves more as "beneficiaries".

> *"The PB is an opportunity to express the needs of the institutions" (EI-representative)*
>
> *"… it gives us a lot of benefits, it gives us help, improvements" (SA-representative)*
>
> *"The PB is good because in the community we have received support" (PC representative)*

Three variables have been identified which may contribute to explain the differences in citizens' awareness of participation as a right: CCL membership; area (rural/urban marginal or urban); and representation.

Firstly, CCL members[14] are in general more aware of their right to participate than citizens of non-CCL organizations. Given their involvement in the CCL, they have more information: they know PB is a legal requirement for the LG and thus, understand better that their participation is a right they are entitled to by law. Secondly, the local organizations from rural/urban marginal areas, though aware of the relevance of their participation in decision-making, tend to perceive it more as a favour from the local authority than their citizen right.

Finally, citizens part of GROs that represent whole groups of citizens in the district are also more aware of their right to participate. For example, the UNAs, SAs and PCs are considered more legitimate to participate in PB. SUNAs, even if they have been encouraged by the LGs, are considered less legitimate to participate as they only represent portions of JN's territorial units.

In the case of FBOs, the WA represents 46 mother clubs in the district and constitutes JN's umbrella organization; while the YG only represents 11 youngsters and the StA only one school. As a result, the participation of the last two GROs in the PB space is considered less legitimate, even if they are CCL members.

The productive-micro entrepreneurial associations (PrMAs), such as the food vendors, shoe-shiners and small vendors associations are the ones currently more absent of the space in JN (they participated only in the first two years). When asked about for the reasons for which they had not participated, a member of the association of small vendors declared it was not for them to participate, their TBOs were the ones invited.

This, of course, also entails non-organized citizens are perceived as less legitimate. Even though the calls are open to every citizen, some GROs and citizens do not feel entitled to participate if they are not officially invited by the LG.

Whether the participation of a given organization is perceived as less or more legitimate affects the awareness this organization has concerning their right to participate. If their participation is considered less legitimate (even by them) organizations are less aware of their right to participate in such space, even if they do perceive it as a right of other local organizations.

As the data shows, citizens who have been more involved with the space tend to be more aware of their right to participate which suggests awareness of participation as a right has been increasing, though unevenly. Nevertheless, it is not possible to attribute this increment to the PB alone. Even when the perceptions of the actors suggest the PB space has significantly contributed to this enhancement, it is necessary to remind that in Peru, the process of democratization has massively encouraged participation in the last six years. Some of the actors, especially from the urban area, have had exposure to other types of participation; even if they were not in public decision-making.

Concerning the degree of awareness of power inequalities in decision-making, the organizations seem to acknowledge they exist. In their interviews,

---

[14] See annex 4 for list of CCL members and annex 2 for visual identification of organizations in CCL.

some mention the preference the mayor has for certain groups or differences in the way groups benefit from the PB: "there is more concern of the LG for big organizations" (DA-representative) or "those who pay taxes are prioritized" (EI-representative). However, this acknowledgement hardly reflects a critical reflection that involves consciously "naming" the power relationships.

The absence of critical reflection is quite significant. As the space is a *regularized institution* (Cornwall, 2002:18), learning is a valuable tool for increasing awareness and improving citizen participation. Nevertheless, none of the spaces assessed allowed room for the participant agents of the space to meet and process their experience. Without critical reflection, necessary in a process of *conscientização,* the challenging of the status quo is less probable to come from the citizens' side of the equation.

4.2   Knowledge

Now we know the amount of the LG's budget and how it is spent. (SA-representative)

The knowledge the citizens now have concerning the LG's budget is one of the first and main PB achievements mentioned in the interviews. The PB space has allowed citizens to access information they did not before. Change concerning previous years is expressed openly: "*PB is good because it is transparent, transparency did not exist before.*"

Not only do the citizens stress the importance of knowing the amount of the budget and its management: "*one has to debate in the PB, and for doing so, one has to be informed" (PC-representative);* they also prove it by giving details of the amounts assigned to the PB and its distribution.

Moreover, this knowledge is not only limited to the citizens that participate directly in the PB process as GRO-representatives. In the interviews to GRO leaders who had not participated directly in the PB process, several provided specific details on the PB amount and the amounts assigned to their zone each year.

This expansion of knowledge is also perceived by the NGOs, who mentioned it when asked to assess the positive outcomes of the space. As a NGO-representative mentioned, *"the GRO-representatives now understand how the process works".* It is also highlighted in other PB experiences in Peru and is considered the basis for the homogenization of knowledge that allows the citizen participation (Pineda, 2005).

The knowledge acquired concerning the LG's budget seems to be important in re shaping the relations between the LG and the citizens. The financial limitations of the LG become evident and are mentioned in almost every interview. As a result, the GROs redefine the perception they have of the LG as providers and more cooperative terms of engagement are created, rather than confrontational ones in which LGs are seen as the enemy.

4.3   Decision-Making and Negotiation Skills

> The experience has been one of learning, especially for me as a person.
> Prioritizing, debating, that is how things are achieved. (SA-representative)

Since the legal framework establishes the PB must be rational and coherent (PB Guidelines, 2006:7), decision-making and negotiation skills lay at the heart of the capabilities citizens should have or develop to make their voices heard.

Not used to participating in decision-making with other development actors, these skills are very limited in most GROs of JN. Concerning the decision-making skills, GROs do not show a clear and common vision of the district's development priorities. Projects aiming at street improvement, and a general focus on infrastructure, leave aside other priorities of local development such as health or education. The proposals for the PB also tend to benefit reduced groups of citizens rather than seeking an effect on the district's development.

Furthermore, the preference in JN for the "equity" principle – by which the budget is divided equally- rather than the "solidarity" one – by which proposals are prioritized according to who needs it the most, also suggests the inability to identify and agree on local development priorities. However, as the budget is divided among zones and GROs must negotiate with other organizations of the same zone, negotiation skills are slightly enhanced through this process.

On the other hand, even though it is not possible to conclude decision-making and negotiation skills have been developed in all GROs part of the PB, there is evidence that points out these skills have been significantly enhanced in certain individuals, especially from rural and urban marginal areas, with lower levels of education, high prevalence of poverty and illiteracy. Citizens from these areas have been less exposed to spaces where public affairs are discussed. Even though there is tradition of collective decision-making in communities and settlements, the scope of these decisions remains small and in what Tanaka calls scenarios of low complexity (Tanaka and Melendez, 2005:169-170). When the scope implies public dimensions at district level, the decision-making and negotiation skills required are also more complex (ibid; Gaventa and Valderrama, 1999:8).

Thus, the PB space has represented a learning opportunity for rural and urban marginal representatives. As a PC leader stated, *"One has to debate, be informed… Before, I was a little bit shy, now I am not, I participate and I have been re-elected (as president), thanks to the experience I think".*

Finally, the citizens' capabilities seem to be enhanced by the promotion of horizontal linkages between GROs of the same zone. As GROs learn to cooperate with other organizations, they improve their negotiation capacity vis a vis public, or even private, institutions, as is discussed in the networking assessment.

4.4 Political Organizational Capacity

> In Simón Bolivar (urban neighbourhood), there is indifference, apathy, they conform… the rural and urban marginal zones are more dynamic. The anxiety motivates them. (UNA-representative)

It is possible to say that being members of an association (their own created space) is common among JN's citizens. However significant differences in the organizational capacity may be recognized depending on the type of TBO. SAs and PCs are the TBOs with stronger organizational capacity, while the UNAs have important limitations in mobilizing and representing all of their members.

The UNAs played an important role several years ago, when the neighbourhoods were settlements themselves. In that time, collective action was a necessary mechanism to achieve upgrading. In the recent years, as the settlements became urban neighbourhoods and the life conditions of its members improved significantly, the pressing need and incentives for collective action diminished leaving the associational life only for urgent matters.

The PB space has provided incentives to organize and as a result, the UNAs try to reactivate their previous organizational capacities. As a UNA-representative declares, "the PB forces us to also organize". However, in a context where the population has grown (according to the LG records, 600 families live in Simon Bolivar) and even though the UNAs in JN usually have strong and skilled leaders representing them, collective action encounters more than one difficulty in assuring an active participation of all its members, in representing the different interests that the members may have, in carrying a democratic decision-making, and in maintaining permanent information channels within the organization[15].

As a result, SUNAs, usually by street or neighbourhood, have appeared in urban areas. They have found their way in the PB, and though always in coordination with the other associations of their zone, they are recognized by the LG as alternative TBOs that may represent the interest of a given sub-unit of territory. However, given their limited scope and the fact that they do not cover all the urban area, this may also lead to further atomization of the budget and exclusion of the "un-civil society"[16].

The SAs and PCs in JN represent groups of citizens with basic needs that have not been satisfied. Therefore, there is a high incentive for collective action. These groups, historically excluded from public resources, see in collective action a way of achieving some of their more pressing needs.

The mechanisms of information sharing and communication that enable accountability and transparency of the leaders, legitimizing their representation, are quite institutionalized in SAs and PCs. It is usual for them to hold monthly meetings with all the members of the association or community to inform of different issues that affect them and to make decisions regarding them. The PB-representatives just make use of these mechanisms in order to provide and

---

[15] Udehn (1993) reminds us Olsen (1975) had long ago suggested size matters in collective action. However, he states, Taylor (1987) was more precise when pointing out "the size effect which… should be taken more seriously is the increased difficulty of conditional cooperation in larger groups".
[16] Coined by Bayat (1997). It refers to non-associated citizens.

receive information regarding the PB. As was mentioned above, even citizens not participating directly in the PB were able to provide details on the amounts of the PB. This reflects the effectiveness of the communication mechanisms of these GROs.

Though the active membership is assured, as well as information flows and certain degree of democratic decision-making, these organizations lack strong and experienced leaders representing them. With only one exception, the PCs and SAs' representatives do not have extensive experience in leadership. As has been mentioned in the previous section, this is one of the reasons why JN's PB space is so appreciated by these leaders. It provides them a learning space for strengthening leadership and organizational capacities.

The data suggests prior organizational capacities are important in determining the involvement of citizens in the PB space. However, there is also evidence that suggests the PB space has contributed to strengthening certain aspects of their political organizations. In the case of the SAs and PCs, it has strengthened the leadership capacities of the citizens' representatives that actually participate in the space. In the case of urban neighbourhoods, it has provided additional incentives for the citizens to organize. The differences between the organizations affect their perceived "legitimacy", as was noted in the awareness assessment.

4.5 Networking

> In 2000, we presented a project for electricity. The coordination was bad and two associations were left out. In 2001, we presented a project for water but each one on its own, so each association had to make a technical study. Since 2004 we are working together as the zone 5, though in that year we also had coordination problems. Now we work together, now it is fine. (SA-representative)

Horizontal linkages between GROs in Jesus Nazareno were generally absent before the PB. The PB has initiated linking processes between TBOs, given they are required to present their proposals for the budget by zone. These horizontal linkages are appreciated by the associations as they perceive their positive impact on their negotiation capacity. As Biekart had observed (1999), these linkages, even if they are informal, prove to be effective in arenas where power is exercised and reproduced.

The benefits of horizontal networking are acknowledged by TBOs and the need of "*una sola voz*", a united and only voice, is stressed and encouraged throughout the process. As a PC-representative said, "*Before, every community by itself, there was no strength. Each community presented its project. Last year we got together four communities and presented our breeding project. We felt that was good and it has resulted well*".

The horizontal linkages are not only strengthened between organizations of a same zone, but also between organizations of other zones. As a PC-representatives said, "*now we know the representatives of other organizations and they know us*". This allows people to understand the needs and problems of other zones, and *may* contribute in the future to the making of decisions that benefit those in more need. At this point, only some of the better-off TBOs express "*it is ok that those with more needs have priority*" (SA-representative). Other better-

off-TBO-representatives state the reasons why they should be privileged (for example, because they are at the main entrance to the district or because they pay more taxes).

The establishment of vertical linkages is less obvious. In some cases, especially in TBOs with strong political organizational capacities, there was evidence of linkages with national political authorities[17]. These linkages seem to provide the associations with additional sources of power as pressure is exerted on the LG to take into consideration their needs. On the other hand, from all the GROs in JN, only the district WA, conformed by 46 mother associations in the district, has a provincial and regional umbrella organization. Nevertheless, those linkages were prior to the PB space: change in their establishment has not been evidenced in JN.

In the case of FBOs, as they answer to specific interests, the horizontal linkages with other GROs is not common, while the vertical linkages, especially with regional or national NGOs, might be more usual. Still, change in the networking capacity of these organizations was not evident at local level either.

Finally, as we have pointed earlier, the GROs understanding of the LG's financial limitations contributes to a change in their relationships. The linkages between citizens and LG, that were before highly vertical, have started to move towards a more (though still with obvious inclination) horizontal kind. The TBOs in JN consistently mention the actions carried out together with the LG in search of funds for financing their projects. As a SA-representative declared, "*now that we have our technical study, made with the LG, we will present it to different institutions. In 2005, we got our road improvement project approved by the Regional Government. In 2004, our sewage project was approved by the 'Fondo de las Americas'*".

4.6   Change in a nutshell…

The PB space has contributed to the process of increasing awareness of the right to participate and knowledge on management of the LG's budget, especially among GROs that have been invited to participate in the new institutions (CCL, TG, SC) linked to the PB space.

It has also contributed to strengthen leaderships of rural and urban marginal areas, traditionally in an un-favoured situation, especially by developing decision-making and negotiation skills in their leaders and representatives. The PB has also promoted the coordination between territorial based organizations of a same zone, enhancing the negotiation capacities of the citizens in the space.

However, significant development of decision-making skills has not been evidenced, which limits the volume of the citizens' voice in citizen participation spaces. Furthermore, the absence of a process of critical reflection on their participation and the power relations embedded in the space limits the citizens' probabilities of consciously challenging the status quo.

---

[17] Such is the case of Villa San Cristóbal, a settlement association with strong organizacional capacity, who has links with a Congresswoman, originally from Ayacucho.

5. THE POWER RELATIONS…

> There are two ways of governing. One is to give responsibilities and then they don't give you problems because they have decided. Many (mayors) think: "why will I give them (responsibility in deciding)?, I will lose power and when they ask me for (money) I will not have". But I have not lost power, on the contrary, it has been strengthened. They trust me now, they know everything so they can't think or tell me, "what have you done with the money? (Mayor of Tambillo)

5.1 Visible Power

As this power is openly exercised, its influence may be perceived more easily. To assess change in visible power, this section assesses changes in (i) the legal framework created at national level for PB, and (ii) the decision-making structure and procedure.

5.1.1 The legal framework

Through an analysis of the legal framework, there are five main changes worth highlighting. These refer to the: (a) LG's role; (b) TG's composition; (c) marginalized groups' inclusion; (d) uncivil-society's exclusion; and (e) Central Government's role.

Firstly, it is possible to observe a change in the role attributed to the LG in the PB process[18]. While the PB Guidelines for 2005 state the LG is responsible for preparing the process, organizing the call for the participatory workshops, and formulating the Council Law (*Ordenanza Municipal)*; the PB Guidelines for 2007 stress the shared responsibility between the LG and the Local Coordination Council in the preparation, calling and law formulation.

Furthermore, in the PB Guidelines for 2007 it is specified that the Task Group *must* include CS-representatives; while the PB Guidelines for 2005 only mentioned its configuration should be specified in Council Law.

The PB Guidelines for 2007 also seem to be more respectful of differences among the participant agents, as they stress the need to include native languages in the calls and workshops in the places where these languages are still spoken and as they widen the definition of groups in risk and vulnerability situation (women, children, elders, disabled –all included in the PB Guidelines for 2005- *plus* groups affected by political violence and native/peasant communities).

These first three differences between the PB Guidelines for 2005 and 2007 seem to suggest that there is now more emphasis on the involvement of a heterogeneous civil-society in the process. However, the analysis of the legal framework also allows noticing that the definition of potential participant

---

[18] The PB Guidelines are pretty much the same through the years. For this reason, slight changes reflect the intention of generating certain specific effects. For example, the Guidelines for 2004 made reference to LGs always in capital letters, while the Guidelines for 2007 refer to local governments in minor case when describing their right to propose projects in the PB workshops. This slight change reinforces the effect of reducing the LGs' protagonism in the process, though still maintaining their involvement.

agents in the guidelines may be leading to exclusion of non-associated citizens from the process.

The PB Guidelines for 2005 specify participant agents in PB are participants and representatives of civil-society, *whether* they are organized or not. Moreover, the guidelines emphasize special mechanisms *must* be designed to promote inclusion. In the PB Guidelines for 2007, on the other hand, it is specified that the participant agents *must* be elected by their organization, and though they mention the process should *try* to be inclusive the apparent slight change of wording does reveal less stress on inclusion than before.

Therefore, on one hand, inclusion is perceived as a desired situation where all citizens have equal right to participate in decisions that affect them. On the other hand, unrestricted participation is perceived as a risky situation where groups of interest with more possibilities of active participation (able to minimize their participation costs) may increase the volume of their voice and by effect, lower the volume of other groups' voices. Though this dilemma seems to be still an unresolved one, the trend in the legal framework is towards excluding "uncivil-society" from the space.

Finally, the analysis of the PB Guidelines also suggests a shift away from central government institutions' influence. While for 2005 the responsibility of training on PB was placed on national public and private institutions, and the subjects of such training were the LGs, for 2007 the role of LGs is stressed and the emphasized subjects of training are the citizens as participatory agents.

Change in the PB Guidelines contributes to re-shaping the space and encouraging change in visible power relations. However, we must understand why the framework changes in order to assess the PB space's transformational potential. In the Peruvian case, diverse NGOs promoting participation have engaged in following up PB experiences around the country. These NGOs provide, together with relevant public institutions, continuous feedback on the experiences at different levels to the central government who then incorporates changes to the PB Guidelines.

Therefore, though the changes in the legal framework are based on local experiences, the lessons learnt from such experiences are not identified by the actors involved in the space, but rather by external actors who follow the process. The relations in other –national- places influence the shape of the space at local level.

5.1.2 The decision-making structure and procedure

As JN's PB space is regularized (institutionalized and on going), the boundaries shift through time, re-shaping the local space. Some of the shifts are given by the national legal framework. Other changes in the shape have been promoted by the local legal framework and structure, as for example by lowering the requirements for GROs to participate.

The exclusion of un-civil society in JN's space is also part of the process of rearrangement of the boundaries. The implementation of the space has led to the emphasis on organized citizens, as issues of representation are emphasized in the Council Law (O.M.091)

Furthermore, as was discussed in the capabilities assessment, there are differences in the perceptions of how legitimate the participation of the GROs is in the process of PB. TBOs are perceived as the organizations whose participation is most legitimate and this has been evidenced in the narrowing of the types of civil-society organizations participating in the space. This is also a shift in the boundaries, as TBOs become the principal participant agents from civil-society.

Regarding the decision-making procedure, the legal framework has maintained the sequence of the participatory process (see Graph 2). Nonetheless, change in the way decisions are made in Jesus Nazareno has occurred.

BOX 7. Decision-making Procedure in JN

In the first year in which PB was implemented, a debate was raised concerning the procedure that should be used for allocating the PB. Though the legal framework suggests the most important projects should be prioritized, in the PB workshop *"the participant agents asked for the budget to be equally divided among zones"* (PB Minutes, 2003) once they had identified and prioritized projects by zone. After some debate, the participants agreed upon the "equity" principle, by which every zone receives a part of the budget.

Though in 2004 only the zones that lacked sewage were prioritized, in 2005 and 2006 the "equity" principle was extensively used, with expressed approval of the participants.

In 2003 and 2004, it was common for local councillors and the mayor to propose ideas of projects that were relevant for the zones. In these two first years the LG stressed the need of prioritizing projects providing basic services to the units that did not have them yet.

Although the LG still encourages projects in education or health through the first informational workshop, the mayor has forbidden the local councillors from proposing any projects in the PB workshops. Now, all the projects are proposed and prioritized by the grassroots organizations –by zone- in the PB workshops.

Criteria for prioritization were applied in Jesus Nazareno's first year of PB. The projects approved were a result of this prioritization. However, the workshops of the last years have hardly followed that procedure, as each zone agrees on their projects. In 2006, only the amounts to be distributed to each zone were agreed upon in the workshops, the actual projects were left for the zones to decide elsewhere.

Source: Interviews and PB Minutes of 2003, 2004, 2005 and 2006

Two changes in the decision-making procedure are identified in JN. Firstly, the "equity" principle is an element that has been introduced to guide the decision-making procedure in the PB space, which is also common in other local and regional PB experiences in Peru. The PB Guidelines establish the projects included should be top priority in the area. However, since the budget assigned to PB is small, it would normally only be able to finance one or two projects. The equity principle is defended by the participants as a fair way of assuring all zones in the area are included in the budget, even if what each zone gets is not enough for financing one complete project.

This supposes quite a dilemma for the PB space. On one hand, for many NGOs this entails *"a savage fragmentation of the budget. You start with a little bit but that won't be enough for anything. It is in the fantasy of the people. In trying to give everyone, you end up giving no one. By trying to please everyone, you displease all"* (NGO-

representative). On the other, the GROs ask for and appreciate the fact that the budget is equally distributed and all can access a part of it: *"the good thing is that even though it is little, it is distributed among all" (School-representative)"* or *"the budget is divided among all associations so later there is no resentment" (WA-representative)*.

In order to overcome the limitations in the PB amount, the zones usually assign their PB amount to preparing evaluation studies. Once they have the evaluation study, the projects are presented to different financing agencies in association with the LG.

The second change in the process concerns the LG's influence in the process. The LG has withdrawn its open influence in the PB workshops. The process of proposing and prioritizing projects relies now, visibly, on the GROs. Nevertheless, this does not mean the LG does not influence the decision-making process anymore. The assessment of less visible ways in which such influence is exercised follows.

5.2 Hidden Power

To analyse expressions of hidden power, this section assesses the use, through the years, of six "windows" through which power enters the space to determine who gets to the decision-making table; which issues get on agenda; which information is concealed or inaccessible; and whose concerns and representativeness are devalued. The use of these windows allows certain groups and/or proposals to be considered differently (either being privileged or ignored) in the PB process.

5.2.1 Definition of the amount for Participatory Budgeting

FONCOMUN is a fund distributed among all LGs in Peru. The PB Guidelines establish the LG is the responsible for calculating the amount of FONCOMUN which will be assigned via PB, as part of Stage 1 of the PB process. The amount should be the result of subtracting the recurrent expenditure of the total budget, as well as previous commitments and other financial demands the LG may need to fulfil.

The procedure for dividing the FONCOMUN funds leaves the LGs with plenty of room for manoeuvre. As described in Box 8, the use of this window in JN has increased and specialized through the years. Though their proposals for dividing the FONCOMUN funds have been questioned, the LG has used arguments (low tax recollection and no external funding) to persuade people that no other alternative is possible. The LG is now able to propose the % of FONCOMUN funds assigned to PB without contestation.

Furthermore, the absence of projects related to education, health or capacity building among the projects prioritized through PB has generated great concern among NGOs at national level. Though they acknowledge these projects are *"not a need that comes from the people"* (NGO-representative), they consider them too important to be left out, and have therefore supported separating a part of the FONCOMUN funds for these projects. Whether we agree or not that with this strategy, this allows the LG to make the decisions concerning who will be the beneficiaries of such projects.

Though the LG is against visible expressions of unequal power relations, by reducing the amount of budget decided upon in a participatory way, it re gains its control over budget decisions.

BOX 8. Definition of the PB amount in JN

In the first workshop of 2003, the LG presented the amount from FONCOMUN funds to be assigned to PB. As the PB Minutes detail, the proposal was *"based on the own priorities of the LG"* and assigned 60% to recurrent expenditure and 40% to investment. Of the 40%, the LG proposed 70% should be assigned to LG projects such as maintenance of parks and gardens, public cleaning, equipment and social support.

The GROs immediately raised questions on the criteria such division was based on, and continued their questioning in the next workshops as well. They proposed the budget be divided in 30% for recurrent expenditure and 70% for investment. The LG stated it needed more budget in order to meet all its responsibilities. After much negotiation, and several workshops later, 35% of the budget went to recurrent expenditure and 65% to investment. Of the investment budget 20% was for LG projects and 80% assigned to PB. As a result, *52% of the FONCOMUN funds* was defined through PB.

In 2004, the LG proposed 35% of FONCOMUN funds should be for recurrent expenditure and 65% for investment. Of the investment budget, it argued 35% must be assigned to pay back a loan and 35% to LG projects. When the participants suggested the division be rather 30 and 70%, the mayor and a local councillor stated that was "*not possible*", given the low tax recollection of the district and lack of external grants for investment. As a result, *20% of the FONCOMUN funds* was assigned through PB.

In 2005, the LG presented the budget for 2006 and "*concluded*" the amount for the PB was *33% of the FONCOMUN funds*. No comments are registered in the PB Minutes concerning the distribution of the budget. Similarly, in 2006, the LG announced 45% of the budget would be assigned to recurrent expenditure and 55% to investment. From the budget for investment, the projects decided by the LG summed up to 80%. As a result, *11% of the FONCOMUN funds* was assigned by PB.

Though in the first two years the GROs were able to influence the distribution of the budget, in the last this had as conditionality that the tax revenues would increase. The last two years, the LG used the extremely low tax recollection as an argument to assign a higher % of the FONCOMUN funds to LG projects and recurrent expenditure. Finally, in the last years, the LG has also been including budget amounts for capacity building and social promotion as part of its LG projects, as these types of projects are not prioritized in the PB.

Source: Jesus Nazareno's PB Minutes 2003, 2004, 2005 and 2006.

5.2.2 Invitation of Participant Agents

The PB Guidelines for 2007 promote a call (Stage 2) seeking inclusion and representation of different actors, by encouraging alliances with Civil Society and CCL, specifying the different organizations to be included, and suggesting mechanisms of mass communication. Nevertheless, the call also constitutes a

window through which exclusion of certain groups may occur, depending on how legitimate organizations feel their participation in the space is.

BOX 9. Call of Participant Agents in Jesus Nazareno

In Jesus Nazareno the call for PB is organized in three ways. First, through mass communication, the PB is announced in radio, newspapers, bulletins, and posters each year. Second, through direct official communication, the Task Group sends an official letter of invitation to certain specific organizations. Third, through direct communication of the local coordination council, the CS-representatives of this council inform their grassroots of the participatory process.

The official letters of invitation are sent to the CCL-member organizations and to the organizations that have registered for the PB of that year.

Source: Interviews, PB Minutes and Lists of Participant Agents in 2003, 2004, 2005 and 2006

In the case of JN, the LG does not openly exclude groups from the space. As was pointed out in the awareness assessment, the groups that do not participate in the space do so as a result of a self exclusion process by which they do not perceive their participation as legitimate as that of other organizations.

Another opening in this window is the time in which the call is made. Several participants complained, "*the scheduling of the workshops is bad, they should notice with at least a week in advance*" (*UNA-representative*). Although the LG may think it is a strategy to keep citizens from forgetting the workshops, the short time notice endangers the some citizens' participation as they may have prior commitments.

5.2.3 Prioritization of Proposals

The PB workshops (Stage 5) involve the proposal and prioritization of. The PB Guidelines propose some prioritization criteria but encourage local spaces to agree on what is most relevant for their context.

BOX 10. Prioritization of Projects in Accos Vinchos

In the PB Workshop of 2006, the "facilitators", LG civil servants and members of the Task Group, encouraged the participants to present all the projects they could imagine in the workshop. Though the participants had previously discussed the importance of presenting just one or two projects, the projects proposed in each zone kept adding to the list.

In the prioritization stage, the facilitator quickly presented the criteria and "helped" the participants assign points to the proposals. He did not ask for the participants' opinion on the criteria; nor did he share the information relevant to apply it. He only explained briefly the meaning of each criterion when it became obvious that the participants did not understand them.

He repeatedly questioned and changed points assigned by the participants. For some criteria, where information was obviously lacking, he assigned the points himself giving unclear explanations of why he gave them.

Source: The author, based on participant observation in PB Workshop 2006

In JN the LG has withdrawn their influence in the project prioritization stage (see Box 7). It remains neutral concerning the proposals made by zone and the prioritization is a result of direct negotiation between the GROs of a same zone. Though the risks and effects of ambiguous criteria have diminished with the application of the "equity" principle, the difference in negotiation skills between the GROs plays now an important role in decision-making.

Though in JN this window is not used much, in other districts it is used extensively, as is the case of Accos Vinchos.

The tendency to promote endless lists of projects in Accos Vinchos allows the LG to "find" projects they are interested in and pick them out through the prioritization criteria or technical evaluation, without making it seem as an imposition. The definition and application of prioritization criteria (see Table 1) also allows hidden power to enter the space. In first place, they were not decided nor discussed with the participants.

TABLE 1. Prioritization Criteria in Accos Vinchos

Criteria	Point Assignment			
1. Project fits in the district's Local Development Plan	0 No		8 Yes	
2. Percentage of Population that is Beneficiary	2 Up to 20%	4 21%-40%	6 41%-60%	8 Above 60%
3. External Co Financing	0 No		10 Yes	
4. Project attends unsatisfied basic needs (UBN)	5 1 to 2 UBN		8 3 UBN	
5. Promotes employment	0 No		6 Yes	
6. Community Co Financing	0 No		6 Yes	

Source: own elaboration of the author

In second place, they are ambiguous enough to make the assignment of points prone to manipulation: "fits" in the first criterion was applied to mean almost anything; "basic needs" (fourth criterion) were inconsistently defined (including at times electricity and roads), as well as "promoting employment" (including the creation of employment as a direct effect, as part of implementation or as a general effect).

The second criterion, on the other hand, requires information on targeted population in order to be correctly applied, though this information is usually lacking since proposals at this stage are just project ideas.

As a result, the participants did not feel able to apply the criteria correctly as they lack a clear understanding and information required and easily accepted the "authority claim" of the LG experts.

5.2.4 Technical Evaluation of the Proposals

In stage 6, the Task Group evaluates the proposals on a "technical" basis. The technical evaluation, according to the JN's LG Planning Officer, entails assessing feasibility, opportunities of co-financing, the LG's investment plan, the situation of the area and the contributions of the grassroots organizations.

BOX 11. Technical Evaluation of Proposals in Jesus Nazareno

In 2003, the PB undertook a lengthy and elaborated process of evaluation of the project proposals. The CS-representatives participated in several meetings for such purpose and engaged in several discussions with the LG.

In the following years CS-representatives were not longer involved in the technical evaluation stage. Though 2 CS-representatives were elected to participate in the TG, they do not participate actively in it. Though they had shown enthusiasm at the beginning, the TG demands a lot of time involved. For the representatives, full of own economic-productive activities and representation tasks, the participation in the Task Group is highly costly.

Nonetheless, JN's LG does not go out of its way to put barriers to these projects based on technical considerations. Given the reduced budget, many of the projects approved (especially for the urban marginal area) can only aim at having the feasibility study carried out with the amount assigned. In the case of the urban areas, the feasibility studies constitute a requirement for including street or block proposals in the PB.

Source: Interviews and PB Minutes

In JN, the use of this window to introduce hidden power in the space has decreased with the years, as they have specialized in limiting the PB amount. However, local NGOs have pointed out technical evaluation is a tool used by LGs to serve their own interests. As an NGO-representative claimed, "*the Task Group can manipulate, they see more the political than the technical side*". For him, this power is best minimized in districts where citizens are TG members. Llosa (2005) also observed in other PB experiences how some projects are abandoned due to lack of pressure from the GROs.

5.2.5 Contributions of Grassroots Organizations

The PB Guidelines encourage the contributions from CSOs in the resource allocation for local development. Though co-financing of NGOs and other sources has always been a suggested prioritization criterion, the PB Guidelines for 2007 also include the beneficiaries' co-financing as a suggested criterion. Although the importance of beneficiaries' contribution is not questioned, it may also constitute a window through which expressions of unequal power relations enter the space.

Box 12. Contributions of GROs in JN

> In JN, the GROs are expected to contribute in the financing of any project they propose. In 2003, during the technical evaluation stage, the TBO-representatives were asked to inform on the percentage of non qualified labour they would contribute with. In another workshop, the minutes specify *"all sectors benefiting from the PB must have completed their technical studies."* At that time a GRO-representative asked for the support of the TG in doing so, to which the mayor specified it was responsibility of each association.
>
> In the following years, the contribution of GROs continued to be a *must.* As the Planning and Budgeting Officer mentions, in cases in which the GROs fail to contribute, the projects are not implemented. In the case of SA and PC the contribution tends to be in non-qualified labour. In the case of urban areas, the SUNAs must bring their evaluation studies in order to even be considered in the PB. The cost of such study is distributed among the neighbours.

Source: Interviews and PB Minutes

In JN, the contribution requirement has had an effect on the inclusion/ exclusion of certain specific organizations. For example, the SUNAs, as small TBOs, must compete with other SUNAs from their same neighbourhood for the budget, and the best way to do so is by presenting their projects in more advanced stages. The projects that have already evaluation studies will be more easily approved, so the SUNAs assume the costs of doing so. As the years go by and more SUNAs are created and registered in the PB process, the competence also increases. The difference between those who can pay for evaluation studies and those who cannot, affect who has influence in the budget allocation.

5.2.6 Change in the Budget

The Participatory Budget may be modified if it is considered necessary. This possibility intends to provide the budgeting process with enough flexibility to take advantage of unforeseen co-financing opportunities. However, as some "unforeseen opportunities" can be identified more easily than others, this possibility is also a window, through which the interests of certain groups can prevail.

In JN, the use of this window ended the very first year. As the LG has tended to suppress all visible expressions of power relations, the fact that the issue was pointed out publicly may be the reason why the window is not used anymore. Now, any change in the PB must be first approved by the CCL. As the CCL members identify themselves which projects will be financed by the transferred funds, the risk of hidden expressions of power is also less.

BOX 13. Budget Changes in Jesus Nazareno

> In the first experience of PB, a TBO-representative pointed out that the budget assigned in 2002 to a certain project had been later assigned to another project without informing the citizens. In her intervention, *"she asks for these changes to not happen again, but rather in coordination with the CCL"*. As the PB Minutes detail, *"it is agreed upon to take into account this observation in the future"*.
>
> In May 2004, before the PB for 2005, the LG calls the CCL for a meeting. The agenda is the identification of social infrastructure projects to be co-financed by transferred funds from the central government and, as a result, the change in the already approved LG 2004 budget. In January 2005, the same happens. The CCL meets to identify which projects will be co-financed by the transferred funds and approve the changes in the LG 2005 budget.

Source: Interviews and PB Minutes of 2003, 2004, 2005 and 2006

As in previous windows, now I look at Accos Vinchos, where the window is used more extensively.

BOX 14. Budget Changes in Accos Vinchos

> In the PB workshop of 2006, the TG-representative explained that in previous years they had not considered the construction of the highway, but since they obtained some funds fro that, the LG had to contribute and the communities as well, in their non-qualified labour. As a result, some projects had to be postponed.
>
> This year, he added, the same thing would happen as they would have to contribute for the improvement of a rural road. As the participants started to complain, he added, *"we must contribute, we have to be conscious and understand that we must not lose those projects"*.
>
> As the Public Works Officer explains in his interview: *"the projects are prioritized but depending on the funds the LG is able to obtain, the CCL is called and the PB is changed for co-financing of those funds"*.

Source: The author, based on participant observation in PB Workshop 2006

In Accos Vinchos, the use of this window is more frequent. The harsh complaints and insistence of the participants in this point: *"they say, but then they do not do. They take the project out of the budget. We come and say but they do not keep their promise" (PC-representative)* suggest this window has been open so wide, the exercise of power has become visible and obvious. Though the importance of being flexible is a necessity in the LG Budgets, it also entails problems in the implementation of agreements.

5.3 Invisible Power

Since this expression of power is internalized, and embedded in the social and political culture, there is little -if at all- perception of its existence even among those who are affected by it. However, the fieldwork has allowed the identification of certain features present in the structure and relationship

dynamics of the space that influence the process and entail an unbalance in power, though they may not be intentional.

Three expressions of invisible power are explored in this section: (i) social stratification or inequalities among groups in society; (ii) images of authority existent in Andean societies; and (iii) patron-client relationships in which authorities favour certain groups in exchange for support.

5.3.1 Social Stratification

In the PB space, expressions of inequalities beyond the space became more evident as the fieldwork progressed. These inequalities could be found between groupings of citizens, though these groupings did not necessarily have a sense of identity attached to it; they were rather defined by a common feature the citizens shared.

In social sciences, social stratification was developed as a concept to describe the inequalities that exist in a given society. According to Giddens (1997:240), it can be defined "as *structured inequalities between different groupings of people*". Waters (2000:322) specifies they are systems "*in which society is conceived to be organized into layers arranged in a more or less continuous hierarchy*". This section seeks to point out the structured inequalities that revealed themselves throughout the research.

Rural vs. Urban: "Sometimes we leave ourselves behind" (PC-representative)

In the literature on Andean societies, the influence of categories and practices that separate people from cities and rural areas is acknowledged. These categories establish differences between peasants (generally including the poor, indigenous and/or illiterate) and urban people that are internalized through socialization, and can even lead to distinguish people in terms of "culture" (Diez, 2003:147).

The distinction between urban and rural citizens has also been found in the PB at local level. Though there is a generalized appreciation for the inclusiveness of the space, a certain tone of paternalism in the way peasants are treated remains. When acknowledging the active participation of the rural zone, a UNA-representative added "*even though culturally they have not developed much*". Moreover, the use of technical language and documents places them at a disadvantage in relation to the more educated urban citizens. A PC-representative remembers, "*Before we did not understand each other. The budget stayed in the urban area*".

Efforts of the LG to involve them in the PB are acknowledged by the PCs themselves. As a PC leader said, "*sometimes we leave ourselves behind, we don't talk… the mayor comes and asks us, and he says we must speak up*". The development of decision-making and negotiation skills in the leaders of rural and urban marginal areas, as mentioned in the capabilities assessment contributes to decrease these inequalities.

Male vs. Female: "Of course, no women in the picture" ("sharp" observation of the author)

Gender relations in Andean societies have typically placed men in the public spheres, though the women have important influence in decision-making in the private sphere. The official members of TBOs are normally men, representing their households, though the presence of women in their meetings is usual.

In Peru, the visibility of women is promoted through women associations, especially the "Mothers' Clubs", which now exist in almost every district. These associations have been encouraged to participate in public spheres, and are explicitly included in citizen participation spaces at all levels.

The amount of women participating in PB varies significantly according to whether the district is urban or rural. In JN, with both urban *and* rural zones, we see a clear difference: none of the PC representatives is a woman, while in urban zones, women do participate as TBO-representatives though they are less in number than men. The women from urban areas that *do* participate are as articulated as the men (and in some cases even more). Their voices have been constantly heard in the PB workshops (PB Minutes, 2003-2006) and the confidence and clarity expressed in their interviews also support this statement. The reasons why these women are more articulated have not been fully explored, but their experience in associational initiatives and high educational achievements seem to be important variables.

In the case of Accos Vinchos, a remote rural district, the absence of women is obvious. None of the leaders of the PCs is a woman, and none of the participants in the PB workshop this year was a woman. Moreover, the PB was held on a Sunday, market day, which means people from all over the district were in town. As the men attended the PB workshop, the women sold their products in the market.

In the PB Workshop, Accos Vinchos..   *Meanwhile, two blocks away..*

The process of inclusion of women in public spheres is an ongoing process. Though the PB space should not be expected to transform gender relations by itself, it contributes by providing experience and developing capabilities relevant for citizen participation. And these capabilities and experience "legitimate" their participation in public sphere.

5.3.2 Images of State Authority

In social and political sciences, authority is understood as the power recognized as legitimate and justified by both the powerful and the powerless. As Heywood (2002:5) phrases it, "authority is power cloaked in legitimacy or rightfulness". The "traditional authority" (based on Weber's categorization) derives from long-established habits and social structures.

In the PB space, the ways in which state authority is conceived seems to influence the attitudes and behaviours of citizens towards the space. This section explores three images of state authority in the local context, and how these images seem to be changing in the recent years.

"This is the first time a mayor comes to our village" (PC-representative)

Peru has a historical tradition of little presence of the state (if any) in local and remote areas. In Ayacucho, the presence of the state, especially in the rural areas was practically non-existent. It is no coincidence that Shining Path, which led the country into 20 years of political violence, was born in Ayacucho as a struggle for a state that would become more responsive to the people. Therefore, the first image of state authority that has been in the minds of citizens from remote areas is *of great absence*.

However, this image seems to be changing as the decentralization process initiates and the invited citizen participation spaces are encouraged. Authorities are starting to feel closer and this also allows the citizens to engage in relationships with them.

"The mayor always came with gifts for Christmas" (SA-representative)

In the cases where the state did show up, its presence was generally in a gift giving occasion. This state provision considered a palliative or in many occasions part of electoral campaigning, rather than an efficient strategy to address local needs, created dependency from the state. The second image is then *as gift provider*.

This image also seems to be changing with the new approaches to development, such as the rights based approach, where citizens take responsibility in their own development. The PB space, where citizens' contributions are expected, not only promotes, but also enforces, citizens to be active in the pursuit for development.

"From that time, now is better. Before, authorities designated; now, from all the population they participate" (SA-representative)

The way in which strategies for development are decided and by whom, has been influenced by traditional images of state authority. These images justify and legitimate a state that makes decision for the citizens on what is best for them. The last image of state authority is as *decision maker*.

In a research focused on democracy and citizen participation in Peru, Tanaka and Zarate (2002) found there is an increase in the "participatory awareness" of citizens, as they claim it is possible to influence political decision-making.

Nevertheless, the process is not easy. As an NGO-representative working with LGs in Ayacucho stated: *"The PB as such has allowed a change in the traditional mentality of deciding by themselves (the mayors), in their authoritarian attributions. However, since they have **had to**, in an obligatory way, open to citizen participation, the process is still slow, difficult, not absent of conflicts…"*

5.3.3 Patron-Client Relations

Another social phenomenon that finds its way in the PB space in Ayacucho is the patron-client relationships, in which resources and favours flow from those of higher status are exchanged for promises of solidarity or loyalty from those of lower status, and there *is* an expectation of continuing relationship (Granovetter, 2005:9; Lomnitz, 1988:47; Lemarchand, 1981:15).

BOX AI. Deciding Budget out of the Space - Jesus Nazareno

In April of 2004, when the process of PB for 2005 had not yet initiated, Jesus Nazareno's LG called the three UNAs to a meeting. There he informed them of a loan they had obtained for asphalting roads and asked them to propose which streets should be prioritized. Immediately, one of the representatives asked why the other zones were not invited, and the mayor explained those zones, as they were urban marginal and rural areas, had other needs, such as sewage, and "*therefore, a different treatment*".

This situation generated a debate on what should be done: if the decision should be made with all zones participating or if those invited should make the decision right then and there. The mayor clarified *"it would be illusionary to call everybody for a consultation since all would expect their roads to be asphalted when it is the main roads the ones that should be prioritized"*.

One representative pointed out there is a territorial unit (Villa San Cristobal) that has not been invited to the meeting, even though it has roads ready to be asphalted. The mayor argues this zone has other needs, such as electrification and sewage, which are being addressed in other projects. Another representative suggests that the loan should not be assumed by the FONCOMUN funds but rather, from tax contribution. The mayor asks if those who do not pay taxes will have a right to have their roads asphalted since at the end the loan will have to be assumed with the income generated from taxes. As he stated, *"we are not being fair with those who do meet their responsibilities.*"

After much debate, and given there was no unanimous agreement, a voting process lead to the decision of continuing the meeting with only the three UNAs. At the end, the assistants agreed to ask for the loan as long as this decision did not affect the PB decisions for 2004.

Later on, in the PB workshop, the LG argued 23% of the FONCOMUN funds had to be assigned to pay back the loan for asphalting the roads. As a result, this amount was deducted from the budget and was not discussed in the PB.

Source: PB Minutes 2004

According to Llosa (2005), clientelism is the form of government with stronger roots in Peru, and its existence limits the development of participatory experiences. It entails complicity between the authority and the people, and exists because participation in decision-making is not understood as a right.

For Tanaka, the authoritarian and personalistic government of Fujimori brought the collapse of the social and political representation system and replaced it with extensive clentelistic networks. (Tanaka, 2004:2)

"As long as they have money that does not go through PB, they will have power to make political favours" (NGO-representative)

According to NGOs working on citizen participation in Ayacucho, parallel and informal channels of negotiating the local or regional government's budget still exist. These channels, organized through patron-client relationships, allow certain groups to ask for the approval of projects in exchange of support.

Some NGOs believe these relationships are waning as the percentage of budget defined through PB increases, but that they will not be extinguished until the whole budget is defined through PB.

5.4   Change in a nutshell…

The visibility of power relations turns out to be quite relevant when analysing the power relations, and particularly the change they may undertake, in a given citizen participation space. The visible expressions of power are the ones that more easily change. The legal framework, with feedback from experiences and lobbying of civil society, as well as the institutions and procedures, based on adaptation to local realities, are constantly re-configured to decrease the inequalities in power that may be openly found in the PB space. Nonetheless, the change in visible expressions of power has also entailed a shift towards the exclusion of un-civil society from the space.

Hidden expressions of power inequalities represent the most jealous guardians of unequal power relations. As the space is institutionalized, LGs specialize in the application and adaptation to local context of certain "windows" through which they sneak hidden power into the space. At this level, "naming" the expressions of power relations is essential to stop the use of the windows.

The change in invisible expressions of power is a slow but already initiated process leading towards the inclusion of marginalized groups, such as women and rural citizens. The PB space contributes to changing the mentality of both citizens and authorities on how decisions are made and the sense of responsibility citizens have in matters that affect them.

6.   THE CONCLUSIONS…

So, what is the result of participation's journey of re-discovery? Will it be able to live up to its transformational claim? Of course, the answer to such questions could never be a straightforward "absolutely" or "never", so I better explain the inevitable, though less exciting, "yes, but…".

In Peru, Participatory Budgeting at local district level is an invited citizen participation space created by mandate of the central government, linked with other invited spaces (CCL, TG and SC) and articulated with participatory budgeting at provincial and regional levels. The space involves the interrelation of local actors, especially between the LG and grassroots organizations.

As the space began its implementation at local level, it encountered limited citizens' political capabilities and unequal power relations. Concerning the capabilities, the organizational capacities varied between urban and rural/urban marginal areas; the awareness and knowledge of citizens were limited, as well as the vertical linkages with other actors; and there were almost inexistent skills for public decision-making and negotiation as well as no horizontal linkages between GROs.

The LG was perceived as decision maker and provider, when present at all. The citizens were perceived as beneficiaries. The power relations between them were embedded by these images and as a result, quite hierarchical. The LG's protagonist role in the PB reinforced these relationships. Nonetheless, the space was and still is embedded in a slow process that involves encouraging participation as a right and responsibility of citizens, as well as changing invisible expressions of unequal and exclusionary power relations, internalized in the political culture.

The first feedback from the PB experiences at local level allowed a formal re-shaping of the space intended to decrease the visible power inequalities within it, granting more protagonism and responsibility to GROs in the PB space.

At local level, the space -at its own pace- began a process of re-shaping itself. The LG started implementing strategies to decrease the visible expressions of unequal power and goes beyond requirements in the inclusion of civil society in the space. Nevertheless, the LG has also specialized in the use of certain "windows" that allow hidden expressions of power to enter the space relatively unnoticed as the citizens' decision-making and negotiation skills remain limited and un-changed. These windows differ between districts as some prioritize the use of windows that involve defining the amount of budget assigned to PB and requiring GRO's contributions, while other prefer windows opened when projects are proposed and prioritized.

On the other hand, the space and its re-shaping encourage the development of political capabilities such as networking, knowledge of the budgeting process and the strengthening of the awareness of participation as a right. However, there is not evidence of development of decision making skills or critical reflection that may lead the citizens to challenge the unequal power relations.

The assessment of the PB space at local level shows that though changes allow certain capabilities to be enhanced in some GROs and visible power inequalities to be decreased, attention must be paid to the hidden expressions of power, which LGs seem to be inclined to make use of. "Naming" these expressions seems to help decrease their use, though that requires certain level of awareness of the unequal power relations within the space.

The findings of our case study suggest citizen participation spaces do allow change to occur both in power relations and citizens' political capabilities. However, even though it contributes significantly, the changes so far cannot be attributed entirely to the citizens' participation in the space, as awareness has not yet the level of consciousness where status quo is challenged by the citizens' themselves. In the case study, the contributions of external

actors regulating (central government) or following up (CS organizations) the process are essential in achieving change so far.

As a result, and going back to the question that concerns us, participation *does* allow change to occur. *But* "allowing change" does not necessarily mean it generates such change by itself. Legal re-shaping of the space, as well as the national civil society's follow-up and lobbying; contribute greatly to participation's ability to fulfil its transformative potential at local level.

THE REFERENCES…

Arnstein, S. 'A Ladder of Citizen Participation', *Journal of American Institute of Plannners* 35 (4):216-224.

Bachrach and Baratz (1970) *Power and Poverty: Theory and Practice.* New York: Oxford University Press.

Bayat, A. (1997) 'Un-civil society: The politics of the "informal people" ', *Third World Quarterly* 18:53-72.

Biekart, K. (1999) *The politics of Civil Society building: European private aid agencies and Central America.* Utrecht, Amsterdam: International Books; TNI

Chambers, R. (2005) *Ideas for Development.* London: Earthscan.

Chavez, Daniel (2004) *Polis & Demos: The left in municipal governance in Montevideo and Uruguay.* Maastricht: Shaker Publishing

Cleaver, F. (2004) 'The social embeddedness of agency and decision making', in Hickey, S. and G. Mohan (eds) *Participation, from tyranny to transformation? : exploring new approaches to participation in development.* pp.271-277 London : Zed Books

Cooke, B. and U. Kothari (2001) *Participation : the new tyranny?* London : Zed Books

Cornwall, A. (2004) 'Spaces for Transformation? Reflections on issues of power and difference in participation in development', in Hickey, S. and G. Mohan (eds) *Participation, from tyranny to transformation? : exploring new approaches to participation in development*, pp. 75-91. London : Zed Books

Cornwall.A (2002a) 'Making spaces, changing places: situating participation in development', IDS Working Paper 170. Brighton: IDS.

Cornwall.A (2002b) Locating Citizen Participation. *IDS Bulletin* 33 (2): 49-58

Cornwall, A. and J. Gaventa (2001) 'From users and choosers to makers and shapers: repositioning participation in social policy', IDS Working Paper 127. Brighton: IDS.

Dahl, R. (1976) *Modern Political Analysis* New Jersey: Prentice Hall. 3rd edition

Dahl, R. (1968) 'Power' from the International Encyclopedia of the Social Sciences pp.405-15 in Haugaard, M. (ed) *Power as a Reader.* Manchester: Manchester University Press

Diez, A. (2003) *Elites y Poderes Locales: Sociedades Regionales ante la descentralización (*Local Elites and Powers: Regional Societies vis a vis decentralization) Lima: DFID

Foucault (1983) 'The Subject and Power', in Dreyfus, H. and P. Rabinow (eds) *Michel Foucault : beyond structuralism and Hermeneutics* pp208-226. Chicago: University of Chicago Press.

Foucault (1980) *Power and Knowledge.* New York: Pantheon Books

Freire, P. (1993) *Pedagogy of the Opressed* London, Penguin Books.

Fung,A. and E.Wright (2001) 'Deepening Democracy: Innovations in Empowering Participatory Governance', *Politics & Society* 9(1): 5-41

Gaventa, J. (2006) 'Triumph, Deficit or Contestation? Deepening the "Deepening Democracy" Debate', IDS Working Paper 264. Brighton: IDS.

Gaventa, J. (2004a) 'Towards Participatory Local Governance: Assessing the Transformative Possibilities', in Hickey, S. and G. Mohan (eds) *Participation, from tyranny to transformation? : exploring new approaches to participation in development.* London : Zed Books.

Gaventa, J. (2004b) 'Strengthening Participatory Approaches to Local Governance: Learning the Lessons from Abroad'. *National Civic Review* 93 (4): 16-27.

Gaventa, J. (2002) Exploring Citizenship, Participation and Accountability. *IDS Bulletin* 33 (2): 1-11

Gaventa (1980) *Power and Powerlessness.* Oxford: Clarendon Press.

Gaventa, J. and Valderrama (1999) 'Participation, Citizenship and Local Governance', Background note prepared for workshop on Strengthening participation in local governance. IDS, Brighton (21-24 June)

Giddens, A. (1997) *Sociology.* Cambridge, Polity Press. 3rd edition

Giddens, A. (1986) *The Constitution of Society.* Cambridge: Polity Press

Granovetter, M. (2005) *The Social Construction of Corruption.* Stanford: Department of Sociology, Stanford University.

Grompone, R. (2005) *Discutiendo la intervención ciudadana en el presupuesto participativo regional* (Discussing citizen intervention in participatory budgeting). Lima, Grupo Propuesta Ciudadana.

Guijt, I. (2005) 'Assessing Civil Society Participation as supported In-Country by Cordaid, Hivos, Novib and Plan Netherlands 1999-2004', Synthesis Report of Dutch CFA Programme Evaluation.

Haugaard, M. (2002) *Power as a Reader.* Manchester: Manchester University Press

Heywood, A. (2002) *Politics.* Basingstoke: Palgrave Macmillan

Hickey, S. and G. Mohan (2004) *Participation, from tyranny to transformation? : exploring new approaches to participation in development.* London : Zed Books

Kaufman, M. (1997) 'Community Power, Grassroots Democracy and Transformation of Social Life', in Kaufman, M. and H. Dilla (eds) *Community Power and Grassroots Democracy.* London; Ottawa: Zed Books; International Development Research Centre (IDRC).

Kendall, G. and G. Wickham (1999) *Using Foucault's Methods* London: Sage Publications.

Lefebvre, H. (1991) The production of space. Oxford: Blackwell.

Leftwich, A. (1984) *What is Politics? The activity and its study* Oxford: Basil Blackwell.

Lemarchand, R. (1981) 'Comparative Political Clientelism: Structure, Process and Optic', in Eisenstadt, S.N. and R. Lemarchand (eds) *Political clientelism, patronage and development.* Beverly Hills: Sage.

Lister, R (1988) 'Citizen in Action: Citizenship and Community Development in Northern Ireland Context', *Community Development Journal* 33(3): 226-35

Llosa, E. (2005) *Avances en la participación ciudadana: el presupuesto participativo en la región Cusco y las provincias de Calca, Cusco, Paruro y Quispicanchi* (Progress in Citizen Participation: Participatory Budgeting in Cuzco). Lima: Oxfam.

Lomnitz, L. (1988) Informal Exchange Networks in Formal Systems: A Theoretical Model. *American Anthropologist* New Series 90(1): 42-55.

Lukes, S. (1974) 'Power: A Radical View' pp.21-42, in Haugaard, M. (ed) *Power as a Reader.* Manchester: Manchester University Press

Mann, M. (1986) 'The Sources of Social Power' pp. 18-28, in Haugaard, M. (ed) *Power as a Reader*. Manchester: Manchester University Press.

Parsons (1986) 'Power and the Social System' in Lukes, S. (ed) *Power* pp.94-143. Oxford: Blackwell.

Pimbert, M. (2003) 'Learning to live the politics of participation' in Cornwall, A. and G. Pratt *Pathways to Participation* pp.151-5. London: ITDG Publishing

Pineda, L. (2005) *Juntos lo decidimos, juntos lo hacemos: presupuesto participativo en Carabaya y Sandia- de las demandas ciudadanas a la gestión participativa* (Together we decide, together we do it: participatory budgeting in Carabaya and Sandia). Lima: Oxfam

Plummer, J (2000) *Municipalities and community participation: a sourcebook for capacity building*. London : Earthscan.

Poulantzas (1978) 'State, Power, Socialism' pp.146-148, in Haugaard, M. (ed) *Power as a Reader*. Manchester: Manchester University Press.

Remy, I. (2005) *Los múltiples campos de la participacion ciudadana en el Perú: un reconocimiento del terreno y algunas reflexiones* (The different fields of citizen participation in Peru). Lima: Instituto de Estudios Peruanos – IEP.

Rocheleau, D. and R. Slocum (1995) 'Participation in Context: key questions', in Slocum, R., L.Whichhart, D. Rocheleau, and B. Thomas-Slayter *Power, Process and Participation: tools for change*. London: Intermediate Technology Publications.

Salinas Ortiz, José A. (1994) 'Calidad Decisional' (Decision Quality); in *Semana de la Calidad* (1994): 8-19. Lima: Sociedad Nacional de Industrias.

Sen, Amartya (1999) *Development as Freedom*. Oxford: Oxford University Press

Tanaka, M. and C. Menendez (2005) '¿De qué depende el éxito de las experiencias de participación ciudadana?' (What does the success of citizen participation experiences depend on?) in Zarate, P (ed) *Participación Ciudadana y Democracia* (Citizen Participation and Democracy). Lima: IEP

Tanaka (2004) 'What explains the successes and failures of citizen participation in local and sub-national levels in Peru?' Note prepared for the LogoLink International Workshop on Resources, Citizen Engagement and Democratic Local Governance. Porto Alegre (6-9 December)

Tanaka, M. and P. Zarate (2002) *Valores democráticos y participación ciudadadana* (Democratic values and citizen participation). Lima: IEP

Udehn, L. (1993) Twenty-five years with *The logic of collective action. Acta Sociologica* 36:239-261

VeneKlasen, L. and V. Miller (2002) *A New Weave of Power, People & Politics: The Action Guide for Advocacy and Citizen Participation*. Oklahoma: World Neighbors.

Waters, M. (2000) *Modern Sociological Theory*. London: Sage. 3rd edition

Williams, G. (2004) 'Towards a repolitization of participatory development: political capabilities and spaces for empowerment', in Hickey, S. and G. Mohan (eds) *Participation, from tyranny to transformation?: exploring new approaches to participation in development*, pp.92-107. London : Zed Books

Wils, F. (2001) 'Empowerment and its evaluation: A framework for analysis and application', ISS Working Paper 340. The Hague: Institute of Social Studies.

Whitehead, L. and G. Gray-Molina (2003) 'Political Capabilities over the Long Run' , in Houtzager, P. and M. Moore (eds) *Changing paths : international development and the new politics of inclusion*. Ann Arbor, MI : University of Michigan Press

Whitehead, L. and G. Gray-Molina (1999) *The Long Term Politics of Pro-Poor Policies*. Oxford: Nuffield College.

The Legal Framework…

Law on Citizen Participation (1994) Ley de los Derechos de Participación y Control Ciudadanos Ley 26300

Law on Decentralization (2002) Ley de Bases de la Descentralización 27783

Law of Regional Governments (2002) Ley Orgánica de Gobiernos Regionales 27867

Law of Municipalities (2003) Ley Orgánica de Municipalidades 27972

Law on Participatory Budgeting (2003) Ley Marco del Presupuesto Participativo 28056

Participatory Budgeting Guidelines for 2005 (2004) Instructivo N° 001-2004-EF/76.01 Resolución Directoral N° 010-2004-EF/76.01: Instructivo para el Proceso de Planeamiento del Desarrollo Concertado y Presupuesto Participativo

Participatory Budgeting Guidelines for 2006 (2005) Instructivo N° 001-2005-EF/76.01 Resolución Directoral N° 006-2005-EF/76.01: Instructivo para el Proceso del Presupuesto Participativo Año Fiscal 2006

Participatory Budgeting Guidelines for 2007 (2006) Instructivo 001-2006-EF/76.01 Resolucion Directorial 011-2006-EF/76.01: Instructivo para el Proceso del Presupuesto Participativo Año Fiscal 2007

Council Law on CCL O.M.070 (2005) Ordenanza Municipal 070-MDJN/A, 2005: Reglamento de Funcionamiento del CCL

Council Law on SC for 2006 O.M.079 (2005) Ordenanza Municipal 079-MDJN/A, 2005: Comité de Vigilancia y Control del Presupuesto Participativo para el 2006

Council Law on PB for 2007 O.M.091 (2006) Ordenanza Municipal 091- MDJN/A, 2006: Ordenanza sobre el Proceso del Presupuesto Participativo de la Municipalidad de Distrital de JN, para el Año Fiscal 2007

The Other Documents…

Jesus Nazareno's PB Minutes (2003)

Jesus Nazareno's PB Minutes (2004)

Jesus Nazareno's PB Minutes (2005)

Jesus Nazareno's PB Minutes (2006)

JN's LG Budget for 2004 (2003)

JN's LG Budget for 2005 (2004)

JN's LG Budget for 2006 (2005)

JN's Record of Grassroots Organizations

JN's Record of Civil Society Representatives in the Local Coordination Council

JN's Lists of Participant Agents for PB-2004 (2003)

JN's Lists of Participant Agents for PB-2005 (2004)

JN's Lists of Participant Agents for PB-2006 (2005)

JN's Lists of Participant Agents for PB-2007 (2006)

Provincial Government's PB Report (2005)

Provincial Government's PB Report (2006)

Accos Vinchos' PB Minutes (2004)

Accos Vinchos' PB Minutes (2005)

THE ANNEXES…

Annex A. List of Interviewees

	Name	Organization/Institution
1	Marcial Cangana	Planning and Budgeting Officer – Jesus Nazareno's Local Government
2	Amilcar Huancahuari	Mayor of Jesus Nazareno
3	Carlos Oriundo	Councillor of Jesus Nazareno
4	Alejandro Medrano	UNA Simon Bolivar
5	Antonia Rojas	UNA Las Nazarenas
7	Florentino Zapata	SA Villa San Cristóbal
8	Moisés Enciso	SA Illa Cruz
9	Glicenio Gavilán	SA Inti Raymi
10	Manuel Mendoza	SA San Carlos
11	Américo Palomino	SA San Carlos
12	Pedro Condori	SA Ingenieria
13	Martin Lopez	SA Cerrito La Libertad
14	Fidel Castro	SA Guaman Poma I
15	Eddy Vargas	SA Guaman Poma II
16	René Curi	PC San Miguel
17	Rómulo Laura	PC Santo Domingo
18	Norberto Cuadros	PC Yacuicuica
19	Julián Quispe	PC Totora
20	Fanny Joyo	SUNA *Jr. Gervacio Alvarez*
21	Leonor Aramburú	SUNA *Asociación Cristo de Agonía Calle 07*
22	Roxana Cisneros	Youth Group *Brigada de Voluntarios Bolivarianos*
23	Edson Gastell	Student Association *Municipio Escolar Sr. de los Milagros*
24	Flor de Maria Canchari	Women Association *Club de Madres- Programa de Vaso de Leche*
25	Carlota Morales	Women Association *Club de Madres*
26	Delia Cuba	Women Association *Club de Madres*
27	William Luján	Disabled Association *OMAPED Organización de Personas en Discapacidad*
28	Rubén Cárdenas	Local Comittee *Defensoría Comunitaria*
29	- not identified	MicroEntrepreneurs Association *Asociación de Comerciantes del Ovalo*
30	Simón Herrera	Parents Association *APAFA Sr. de los Milagros*
31	Noemí Torres	Educational Institution *I.E.P. Sr. de los Milagros*
32	Ida Yupanqui	Educational Institution *I.E.I Simón Bolivar*
33	Juana María Romani	Educational Institution *I.E.I Nazarenas*

	Name	Organization/Institution
34	Cesar Alvarez	NGO SER
35	- not identified	NGO SER
36	- not identified	NGO SER
37	Richard Barrientos	NGO ADRA PERU
38	- not identified	NGO ADRA PERU
39	Blanca Sanabria	NGO CEPRODEP
40	Miguel Alcantara	Accos Vinchos – LG
41	- not identified	Accos Vinchos – LG
42	Sebastián	Accos Vinchos – PC Arampato
43	Mariano Gutierrez	Accos Vinchos – PC Cacha
44	Crisosto Oriundo	Quinua – LG
45	Angel Porras	Quinua – LG
46	Nestor Curahua	Tambillo – LG
47	Luis García	Provincial Government and Ayacucho District LG

Annex B. More on Power…

As Waters (2000) acknowledges, "there is a widespread disagreement about the meaning of power and its sources" (p. 218) partly because we are making statements about our own world view. However, there is agreement on conceiving it as a central concept both in social and political sciences: according to Giddens, its study "is of fundamental importance for sociology" (1997:338), while Heywood describes a view of politics in which "(p)olitics is, in essence, power" (2002:10) and is seen to be "at the heart of all collective social activity, (…) in all human groups, institutions and societies" (Leftwich, 1984:63).

This section will seek to briefly account for the journey the concept of power has followed through time and for the multiple adventurers that put all their effort in trying to get hold of it.

In social sciences…

The foundations of the theories of power in social sciences lie in the work of Marx and Weber (Waters, 2000; Haugaard, 2002). Though in the work of Marx the concept of power is not explicit, his understanding of human history as a struggle over resources includes the view of a circular relationship, in which those that have the resources, have power and can control others, which in turn allows them to obtain more resources.

For Weber, power is a consequence of human action, an aspect of the way in which human beings relate to one another (Waters, 2000:222). In a revised

version of the translation of Weber's definition, "power means every chance (no matter whereon this chance is based) to carry through the own will (even against resistance)" (Walliman et al, 1980:264 in Waters, 2000). Given the broadness of this definition, Weber focuses on establishing types of power and then further devotes himself to the study of types of legitimate domination. Gathering from his work, Mann (1986) studies long after the relationship between power and the emergence of the modern state, by looking at four sources of power (ideological, economic, military and political).

Drawing from Marx and Weber's work, the Elite Theory identifies two strata in society: the elite and the mass (Waters, 2000:225). In this theory, developed by Pareto, Mossa and Michels among others, the elites are social groups with a disproportionate power to command, aware of their existence as a group, with coherent interests of the group and entailing conspiracy. Burnham and Mills are a variation of the elite theory, stressing the possession of resources as a core aspect of power (Waters, 2000:226).

Poulantzas view of power is based on Marx's structuralism and materialism. He argues social practices are not just an effect of structure, but rather constituted by meaningful choices and strategies within a structured context (Haugaard, 2002:60). As he states, "power itself is not a quantity or object of possession, nor a quality linked to a class essence … power should be understood as the capacity of one or several classes to realize their specific interests… (and this) is in opposition to the capacity (and interests) of other classes: the field of power is therefore strictly relational" (Poulantzas, 1978: 146). Even though some inconsistencies may be found in his work, his attempt to stress the relational aspect of power and hint the potential of human agency must be acknowledged. (Haugaard, 2002:61).

The work of Talcott Parsons is embedded in the functionalist paradigm. His work considers the Marxist analysis of power entails a zero-sum problem, by which a gain of some in power is the loss of others. Parsons argues power is not out there, it has to be created or produced by society (Haugaard, 2002:67). He believes that as societies become more complex, there is an increase in the transformative capacity of the "polity" (that allows the realization of collective goods) (Waters, 2000:236). For him, power is the means through which polity works and is defined as the "generalized capacity to secure the performance of binding obligations by units in a system of collective organization when the obligations are legitimized with reference to their bearing on collective goals and where in case of recalcitrance there is a presumption of enforcement by negative situational sanctions – whatever the actual agency of that enforcement" (Parsons, 1986:103). The emphasis on consensual power is also developed by Hannah Arendt in a more political approach, in which power is "the human ability not just to act but to act in concert" (Arendt, 1986 in Waters, 2000:234).

Parsons's work contributes to highlight some main aspects of power, such as that it does not simply exist, that its creation is related to the reproduction of social order, that it is not zero sum and that it is not inherently contrary to people's interests. (Haugaard, 2002:69). However, though Parsons acknowledges some power relations are conflictual, his intention to theorize consensual power leads to a failure in integrating both.

Anthony Giddens picks up from this division in theory and seeks to provide an integrated view of power in both its consensual and conflictual sense. He states power "is generated in and through the reproduction of structures of domination" (Giddens, 1986:258)

For Jurgen Habermas, power may be defined as "the common will in a communication directed to reaching agreement" (1986, in Waters, 2000:235). In his communicationist approach, the political institutions achieve a level of domination by blocking the communication (ibid).

In political sciences…

The key focus of debate in political sciences seems to be the issue of concentration of power rather than its substance (Waters, 2000:240). The analytical tradition accepts that power is potentially distributed widely throughout society and therefore present in all social relationships. In this view, power differences emerge within interaction from the intentions of agents pursuing their interests (ibid).

Dahl, as a political scientist, argues the analysis of power is essential, though three fallacies must be discarded to do so, namely that power is possessed, that it is equivalent to resources, and that it is equivalent to rewards and deprivations (Dahl, 1976:26). Rather, Dahl specifies "(p)ower terms refer to subsets of relations among social units such that the behaviours of one or more units (R, the responsive units) depend in some circumstances on the behaviour of other units (the controlling units, C[19])" (1968:407). His analysis assesses who influences the decisions made based on who initiates and who vetoes decisions (Waters, 2000:241).

In his analysis he also identifies descriptive characteristics of power such as magnitude -amount of power of an actor-; distribution -actors through which power is dispersed-; scope -activities to which power is restricted-; and domain -groups of subordinates to which power is restricted- (Dahl, 1968).

Dahl's concept of power is criticized due to it's over emphasis on behaviouristic agency. If it is necessary for A to pro-act then he fails to take into account situations in which B acts in ways in which A would prefer without A providing stimulus (Waters, 2000:243). As Bachrach and Baratz ask and answer "can a sound concept of power be predicated on the assumption that power is totally embodied and fully reflected on "concrete decisions" or in activity bearing directly upon their making? We think not. Of course power is exercised when A participates in the making of decisions that affect B. (But) Power is also exercised when A devotes his energies to creating or reinforcing social and political values and institutional practices that limit the scope of the political process to public consideration of only those issues which are comparatively innocuous to A." (1970:7)

Bachrach and Baratz therefore add to Dahl's definition by taking non decisions into account. Non decisions are defined as the "means by which

---

[19] In an original article, Dahl refers to B and A rather than R and C. That denomination is the one usually used.

demand for change (…) can be suffocated before they are even voiced, or kept covert; or killed before they gain access to the relevant decision making arena; or failing all these things, maimed or destroyed in the decision implementing stage of the policy process." (1970:44)

Steven Lukes transformed Dahl's and Bachrach and Baratz's theories of power into dimensions of power and adds a third one. The first dimension deals with "the making of decisions on issues over which there is an observable conflict of (subjective) interests" (Lukes 1974 in Waters, 2000:244). The second dimension deals with "the question of the control over the agenda of politics and of the ways in which potential interests are kept out of the political process. (Lukes, 1974:21)

The last dimension, which he adds, deals with the "exercise of power to prevent people (…) from having grievances by shaping their perceptions, cognitions and preferences in such a way that they accept their role in the existing order of things, either because they can see or imagine no alternative to it, or because they see it as natural or unchangeable or because they value as divinely ordained and beneficial" (Lukes, 1974:24-5). A recognized example of how this analysis may be carried out is given by Gaventa in his analysis of power relations in the Appalachian Valley (1980).

The main criticism of Lukes' model (Haugaard, 2002:40; Waters, 2000:245) is the use of normative concepts in his theory, even though Lukes himself stressed power is a concept which is ineradicably value-dependent[20]. As he describes the third dimension, he argues real interests are veiled by power relations in this dimension and a false consciousness is thus developed. However, his attempt to develop a single theory of power which involves both agency and structure and to link power with consciousness is acknowledged as an important step in the conceptualization of power (Haugaard,2002:40).

In Foucault…

Michel Foucault's work on power is probably the most controversial in social and political sciences and yet receives increasing interest from power researchers and theorists. The main reason why Foucault may be considered controversial in social and political sciences is precisely because his thought is closely related to a postmodern paradigm that "does not concern itself with finding undistorted truth" (Haugaard, 2002:246). In this view, feeding from the intuitions of Machiavelli and Nietzsche, the world "is perceived to be impregnated with ideas and meaning which reflect particular ontologies" (ibid). For academics devoted to science this may as well constitute a heresy.

In "The Subject and Power" (1983) Foucault claims his work did not have the analysis of power as objective but rather the creation of "a history of the different modes by which (…) human beings are made subjects" (p.208). However, he does acknowledge he became quite involved with the question of

---

[20] "By this I mean that both its very definition and any given use of it, once defined, are inextricably tied to a given set of (probably unacknowledged) value-assumptions which predetermine the range of its empirical application" (Lukes, 1974:26)

power: "It soon appeared to me that, while the human subject is placed in relations of production and signification, he is equally placed in power relations which are very complex. (…) (B)ut for power relations we had no tools of study. (…) It was therefore necessary to expand the dimensions of a definition of power if one wanted to use this definition in studying the objectivizing of the subject" (1983:209).

For Foucault (1983:219), the question on "how" power is exercised implies placing power relations as the object of analysis and not power itself. Admitting the exercise of power is a relationship between partners in which certain actions modify others, implies that something called power, which is assumed to exist universally in a concentrated or diffuse form, does not exist: "Power exists only when it is put into action, even if, or course, it is integrated into a disparate field of possibilities brought to bear upon permanent structures." (ibid)

In what is know as "Two Lectures" included in Power and Knowledge (1980), Foucault had already in 1976 argued that "Power must be analysed as something which circulates, or rather as something which only functions in the form of a chain. It is never localized here or there, never in anybody's hands, never appropriated as a commodity or piece of wealth" (p. 98). In this definition, "the individual is an effect of power, and at the same time, or precisely to the extent to which it is that effect, it is the element of its articulation" (ibid).

Annex C. Actors involved in the Jesus Nazareno's Participatory Budgeting Space
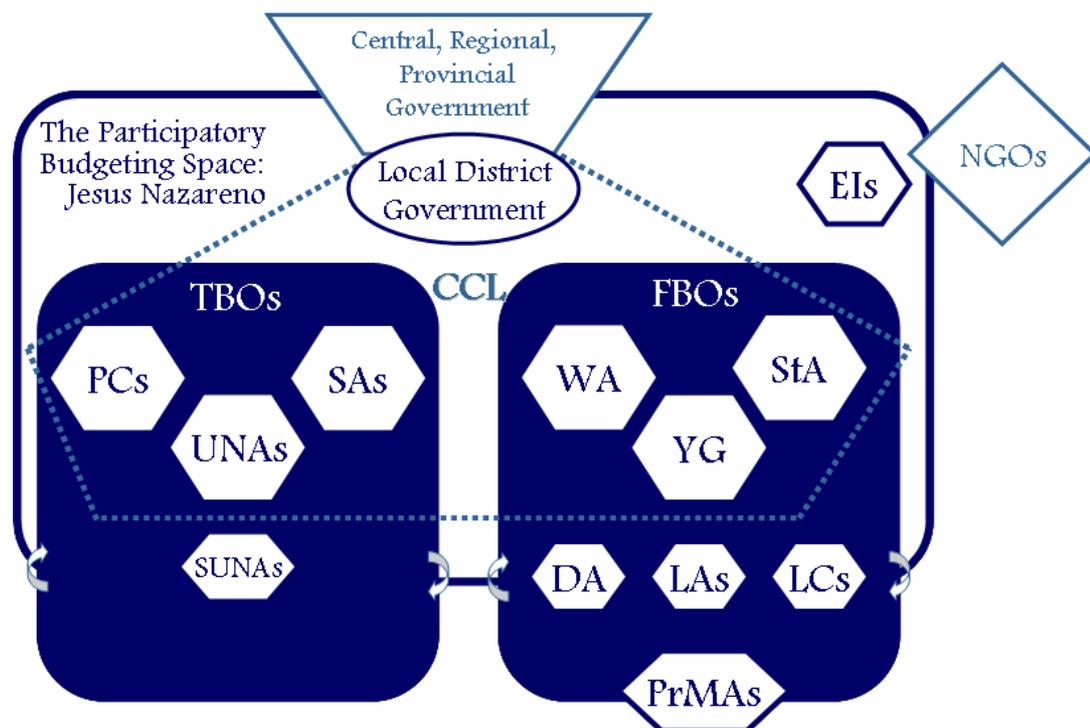
Annex D. Zonification of Jesus Nazareno

Zone	Territorial Unit	Type of Unit	"Traditional" Territorial Based Association
1	Simon Bolivar	Urbanization	UNA Property Owners Association
2	Las Nazarenas	Urbanization	UNA Property Owners Association
3	Pampa del Arco	Urbanization	UNA Property Owners Association
4	Villa San Cristobal	Settlements	SA Villa San Cristóbal
	Illa Cruz		SA Illa Cruz
	Inti Raymi		SA Inti Raymi
	Los Rosales		SA Los Rosales
5	San Carlos	Settlements	SA San Carlos
	Ingenieria		SA Ingenieria
	Guaman Poma I		SA Guaman Poma I
	Guaman Poma II		SA Guaman Poma II
	Cerrito La Libertad		SA Cerrito La Libertad
6	San Miguel	Peasant Communities	PC San Miguel
	Santo Domingo		PC Santo Domingo
	Yacuicuica		PC Yacuicuica
	Rumichaca Alta		PC Rumichaca Alta
	Rumichaca Baja		PC Rumichaca Baja
	Totora		PC Totora
	Pongora		PC Pongora
	Pucarumi		PC Pucarumi

Source: JN's LG Documentation

Annex E. Configuration of the Local Coordination Council in Jesus Nazareno

Nº Members (29)	Institution Represented
1	LG Mayor
5	LG Councillors
2	UNA Simon Bolivar
2	UNA Las Nazarenas
-	*UNA Pampa del Arco*
2	S.A Villa San Cristóbal
1	SA Illa Cruz
1	SA Inti Raymi
-	*SA Los Rosales*
1	SA San Carlos
1	SA Ingenieria
1	SA Guaman Poma I
-	*SA Guaman Poma II*
1	SA Cerrito La Libertad
1	PC San Miguel
1	PC Santo Domingo
1	PC Yacuicuica
1	PC Rumichaca Alta
-	*PC Rumichaca Baja*
1	PC Totora
1	PC Pongora
1	PC Pucarumi
2	Women Association
1	Youth Group
1	Student Association

Source: Council Law on CCL (O.M.070, 2005)