Impact of the Rural Roads Program on Democracy and Citizenship in Rural Areas of Peru

Study conducted at the request of the Transport Cluster from the Latin America and the Caribbean Region

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With the collaboration of:  
Marisa Glave  
Giannina Pastor

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This paper - a product of the Transport Cluster of the Sustainable Development Department of the Latin American and the Caribbean Region — is based on the findings from a study on the Rural Roads Program carried out by Maria Isabel Remy Simatovic and her team. Copies of the working paper are available free from the World Bank, 1580 Eye Street NW Washington, DC 20433 at the Transport Cluster, telephone 202.458.7879, fax 202.676.9594. The Paper is also posted on the Web at www.worldbank.org/research/workingpapers. The authors may be contacted at mremy@iep.org.pe.

*The Working Paper disseminates the findings, interpretations, and conclusions expressed here are those of the author(s). They do not necessarily reflect the view of the World Bank, the views of Executive Directors of the World Bank or the governments they represent.*
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The report was prepared by María Isabel Remy Simatovic with the assistance of Marisa Glave and Giannina Pastor. María Isabel Remy Simatovic is a Sociologist (Pontificia Universidad Católica del Perú) who holds a DEA (Master’s Degree Equivalent) in History and Civilization (High Studies School in Social Sciences, Paris). She has been Director and Researcher in the Andean School of the Center of San Bartolome de las Casas in Cuzco, and Director of the Center of Farmers’ Research and Promotion in Piura (Peru). Currently she is principal researcher at the Peruvian Studies Center. Some of her publications are: “Local Governments in Peru, Between Democratic Enthusiasm and the Deterioration of the Political Representation”, Lima 2005, and “The State is Back, Unequity, Diversity and Democracy”, Lima 2006.

The report is based on the findings from a study on the Peru Rural Roads Program carried out by María Isabel and her team. The findings are collected in the original study which comprises 150 pages of annexes containing the basic quantitative information, data on the electoral participation, revocatory consultations and the field work. The field work includes the interviews performed by the team in the different provinces of action in the Peru Rural Roads Program.

Inputs, comments and efforts for the dissemination of this work have been possible thanks to Nicolas Peltier-Thiberge, Senior Infrastructure Economist at the Transport Cluster, Maria Elizabeth Dasso, Senior Social Development and Civil Society Specialist at the Lima Office and Luz Caballero, social consultant at the Transport Cluster, all from the Sustainable Development Department in the Latin America and the Caribbean Region of the World Bank.

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EXECUTIVE SUMMARY

“Can you imagine a project that rehabilitates roads and thus contributes to democracy?”

The Rural Roads Program, overseen by Provias Descentralizado (subdivision of Peru’s Ministry of Transportation and Communications), began in 1995, and has received funds from the Peruvian Government, the World Bank and the Inter-American Development Bank. It is a national program for the rehabilitation and maintenance of roads that link rural communities and villages with secondary and principal roads, and through these, with towns and cities of the interior, thus expanding Peru’s road network to the rural village level, especially in regions with greater levels of poverty.

In its twelve years of existence, the program has been evaluated several times in terms of its impact on the economy (income levels, market dynamics), on gender equity, on the culture of the high Andes, on access to basic roads, and on rural living conditions (access to education, health, etc.). However, no effort had been made to systematically understand its impacts on democracy and the quality of citizenship exercised in rural areas.

The study that is presented here, commissioned by the World Bank in February 2007, has sought to analyze PCR’s impacts, using two general hypotheses that make it possible to explore the relationships between public roads and democracy. The first suggests that road integration, particularly the rehabilitation and maintenance of roads that link rural villages with district or provincial capitals, decreases the costs of democratic participation. In a context of increasing participatory supply, due to the ongoing recurrence of national and municipal electoral processes, as well as to the creation of new rights of participation, new roads allow rural residents to take part in democratic decision-making processes without having to incur significantly higher costs than those of residents of urban centers.
The second hypothesis is more specific to the Peru Rural Roads Program (PCR, for its Spanish acronym); it suggests that the way in which the program operates, its institutional arrangements and the institutions to which it provides its services, strengthens democracy and local civil society, strengthens new leaders, improves local management skills, and aids in political inclusion, particularly that of more vulnerable sectors. These original institutional arrangements, created by PCR, have developed in association with three clear areas:
- the construction of a management model that is in accordance with decentralization; the program has generated several Provincial Road Institutes (IVPs) that support local government administrations;
- the conducting of road maintenance efforts by the stakeholders themselves; for this, the program promoted the creation of several routine road maintenance microenterprises (MEMVRs), with members of communities connected by the roads. MEMVRs are remunerated by their local governments and should conduct positive practices to avoid gender discrimination;
- promotion of a productive use of rehabilitated roads, for which the Local Development Window (VDL) strategy has been created; it is in charge of training, advisory services, promoting cooperatives and residents’ associations under development projects, and seeking investment resources from financial sources.

The study, which was conducted in the first half of 2007, generated quantitative and qualitative information on a set of variables. The key outcomes show that:

1. PCR has moved to the forefront of the Peruvian government’s decentralization process because it has not only transferred functions and resources, but has also produced an ad hoc institutional framework, Provincial Road Institutes (IVP, for its Spanish acronym), which makes it possible to maintain the provincial level of planning and the necessary consensus building between provincial and district governments for the planning, management, and maintenance of road infrastructure. Unlike the transfer strategies of other sectors, this does not require provincial-level reproduction of the national management structure, thus avoiding the generation of scale inefficiencies. The decentralization model, which brings together lessons learned during more than 10 years, could be replicated by other sectors.

2. Based on the information found, PCR’s strong effect on the increase in voter participation by citizens in rural towns was evidenced. In the districts where PCR operates, the major
differences in the levels of voter participation between rural and urban areas has been nearly eliminated. Of particular note is the increase in women’s participation in election processes in areas where the program operates.

3. Training and PCR’s dynamics of operation have helped to renew democratic leadership in rural areas and regions. In just six departments, there are at least 82 cases in which MEMVR managers, after being involved in the program, have gone on to hold community or municipal management positions. Even the Regional President of Ayacucho had previously been an IVP manager.

4. One of the most important impacts relates to the functioning of local governments, because municipalities are strengthened by qualified technical personnel and tend to improve participatory budget processes. Local authorities can better prepare these budget processes with the aid of IVP technical personnel to develop projects and technical data sheets and incorporate methodologies for participatory budget prioritization. The processes are organized from a grassroots level, in the native language, and the population is trained to methodically organize and prioritize the strong demand for connecting roads. PCR allows the municipality to be linked with traditionally excluded sectors (women, indigenous peoples, and rural citizens in general), under conditions of transparency and predictability, respect for contracts, and a reduction in the discretionary authority of officials.

5. PCR also shows positive impacts on local civil society’s expansion in rural settings. This is seen in the respect for and inclusion of communities in the processes of identifying road needs, especially because it is defined as a program that is not guided by possibly disorderly demands of the population but rather by orderly, participatory, mutually agreed upon, and predictable planning processes.

6. In the same regard, positive impacts are generated by the operational model for road maintenance through microenterprises formed by residents of beneficiary communities. These microenterprises are compelled by, and respond positively to, the need to establish good relations with the communities.
7. Impacts on local societies include the development of strong management skills achieved by beneficiaries of the specific component known as the Local Development Window (VDL), and which are becoming a reference for other enterprising sectors of the rural population. The strong participation of women is noteworthy, including management positions in VDL projects.

The study also found that PCR is facing risks. Some stem from the geographic expansion of the program’s coverage, associated with a reduced intensity in training efforts and the loss of trained personnel in municipalities due to the effect of changes in municipal authorities following elections. Others relate to the fact that, because PCR is decentralized, new mayors may decide not to uphold regulations that require gender equity, and may either change the transparent criteria for the selection of MEMVRs or not promote the formation of microenterprises, opening bidding processes to companies from outside the zone.

Facing the challenge of better integrating rural and impoverished areas with the rest of the country, PCR contributes to the consolidation of democratic local management which promotes decentralization, and is therefore also vulnerable because of it. Its continuity will likely require a balance, to be defined locally, between contributions and risks, but as local populations and community organizations continue to be incorporated, this balance is likely to be a positive one.
INTRODUCTION

Two inclusive processes have been developing steadily in Peru, transforming the lives of most men and women in rural areas. The first is known in Peru as “rural urbanization” and is associated with the increasing availability of public services, formerly concentrated only in large cities, for rural residents. The second is the dissemination and expansion of democracy in the rural areas.

The first process, rural urbanization, has been promoted by the conversion of former rural villages, hamlets, or towns to small or medium cities. In this regard, the country’s most relevant demographic changes, as observed since the 1981–1993 inter-census period, are the decrease in the growth rate of the nation’s capital, and the notable increase in the population residing in small and medium cities. This growth is associated with the installation of services (businesses, input suppliers, bank branches, etc.) not only for these cities’ own populations but also for surrounding rural areas and, in some regions, processing plants for agricultural and livestock products, which benefit the expansion of public services (water, electricity, telephone, etc.). These activities, as well as consumption by their growing populations, increase the flow of supply and demand in rural areas, and bring them closer to producers, thus expanding rural economic options. The establishment of public agencies (municipalities—the creation of which has multiplied, special state and NGO projects, secondary schools, health centers, etc.), and their ongoing development impact rural areas. A significant new aesthetic of the recent urbanization of these small and medium cities is expressed through the construction of new monuments and public squares (not only creating spaces for urban activity but also helping increase the value of residents’ assets and, in general, creating more impressive municipal sites).

A second branch of the same rural urbanization process is the increase in direct access to public goods in rural villages. Rural electrification, rural telephone service, sanitation works, piping of water, construction of public squares and community sites, etc., are beginning to provide populated rural centers with services that previously did not exist, and these are increasingly demanded by the population in the new participatory budgets.
The Peruvian Rural Roads Program, overseen by the Ministry of Transportation and Communications, is included in these new demographic, social, economic, and cultural processes; in this new construction of spaces in Peru, these processes are promoted by enabling new relationships and new shared experiences by rural areas and cities, and shortening distances (physical and cultural) between these-improved areas and the actors involved in them. In fact, a detailed assessment of the Rural Roads Rehabilitation Program, conducted in 2005, illustrated the improvement in transport conditions (a 68% reduction in travel time), as well as in the impact on access to schools (an 8% increase in student registration) and to health centers (a 55% increase in the number of visits), together with improvements in production conditions (the amount of agricultural land increased 16%) and in the income of rural households (agricultural income increased 20%).

The second process, occurring simultaneously with the first, is the expansion of democracy and citizenship in rural areas, as well as the expansion of the means to exercise them. The study that we are presenting explores, through a set of quantitative and qualitative indicators, the areas in which PCR has had positive impacts on the growth of democracy and the expansion of citizenship.

The links between democracy and roads have not been studied in Peru and are probably less evident than in the previous case. Two general hypotheses make it possible to establish several relationships. The first suggests that road integration, especially the construction, rehabilitation, and maintenance of roads that connect rural villages with district or provincial capitals, decreases the costs of democratic participation. In a context of increasing participatory supply, due to the ongoing recurrence of national and municipal election processes as well as the creation of new rights of participation, new roads allow rural residents to take part in democratic decision-making processes and participate without having to incur significantly higher costs than those of residents of urban centers.

The second hypothesis is more specific to PCR and suggests that its institutional arrangements, which are innovative in rural areas (transparent agreements, predictability of contracts, control of

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1 We refer to the rights of direct democracy established in the 1993 Constitution and developed in Law 26300, the law of citizen participation and control rights, but also to those of participation in the preparation of development plans and municipal budgets, defined in Law 27972, the organic law of municipalities, and Law 28056, the framework law on Participatory Budgets, both enacted in 2003.
staff members’ discretionary authority, etc.), and the institutions in which it places its services (especially local governments and routine road maintenance microenterprises- MEMVRs), strengthen democracy and local civil society, strengthen new leaders, improve local management capacities, and help to open new spaces for the exercise of citizenship, promoting political inclusion, especially in more vulnerable sectors.

In February 2007, the World Bank commissioned a study to examine PCR’s key impacts on democracy and citizenship in the rural setting. Since this was the first time that a study on this subject had been conducted, it was of an exploratory nature.

This report on the study consists of four parts. The first contains the analytical framework, which includes a description of the set of problems and the key issues related to citizenship and democracy in the rural setting, and an analysis of PCR’s key components that influence the issue. The second presents the methodology used to collect information and an analysis of the information collected. The third proposes an evaluation of PCR’s contribution to the strengthening of democracy and the exercise of citizenship in the rural setting. Finally, the fourth presents a set of recommendations for the future.

The lead consultant and her team of assistants wish to express their thanks to Provías’ staff and workers in Peru’s Ministry of Transportation and Communications in Lima and in the regions visited, for the assistance they provided in conducting this study.
1. ANALYTICAL FRAMEWORK

In various studies, large-scale road construction programs have been closely associated with the set-up of numerous state-level forms. Thus, for example, according to Charles Tilly, the establishment of communication networks runs parallel to the deployment of two state-supported “armies”: soldiers, defining the area of exclusive state control, and tax collectors. More specifically, in relation to the construction of democratic states, there are also studies that link the development of road networks with the inclusion of rural peoples in a political community. Eugene Weber’s classic study, for example, highlights two key elements in the construction of French citizenship in rural areas: one was the development of a secular school in each town, related to disputes with parish priests over children’s education; the second was the increasing density of the railroad and road networks in order to connect more distant towns with large cities, breaking isolation and the traditional local power relations.

In modern-day Peru, the construction of a road system began in the second half of the 19th century with the construction of railroads connecting raw material production zones with ports: the southern railroad, joining Cusco, Puno, and Arequipa sheep wool production zones with the port of Matarani, and the central railroad, joining Cerro de Pasco and the entire mining area with the port of Callao, were the most important. In addition, small sections on the coast brought export sugar or cotton to ports. The start of highway construction ended these fragments of the east-west railroad network (Sierra-Costa [highlands-coast]), and large-scale north-south highway projects began: in the early part of the present decade, the Pan-American Highway along the entire coast, and since the mid-1960s, the highway bordering the rainforest.

Few national efforts have been made to expand these sections and turn them into networks integrating all towns throughout the country. The most systematic effort was probably the one that

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began in 1920 with the “road conscription law” that obliged all Peruvian men between the ages of 18 and 60 to work for free for a period of 6 to 12 days per year on the construction and opening of highways. During the road conscription law’s nearly 15 years of existence, close to 20,000 km of highways were constructed in the country. The law was conceived, or stated, as part of the policy to “protect the indigenous race”\(^4\) from the abuses of local authorities, as a means of breaking the isolation of populations in the country’s interior: in other words, an inclusive measure. Significantly, the Bureau of Indigenous Affairs, which was created during those years, operated within the Ministry of Development and Public Works.\(^5\) But in reality, the law weighed most heavily on indigenous peoples; it was permanently denounced as an instrument of abuse by large landowners and persons with authority in rural localities of the Sierra, who also managed to steer the road construction efforts toward their own farms. It was finally revoked.\(^6\)

The Rural Roads Rehabilitation Program began its activities in 1995, and was in charge of the rehabilitation and maintenance of road surfaces linking rural communities and villages with secondary and principal highways and, through these, with towns and cities in the interior. Fifty years after the road conscription law was revoked, it is the only nationwide effort to connect rural villages. In major contrast to said experience, its design has meant the development of a set of institutional arrangements aimed not only at ensuring their economic sustainability but also their social sustainability, linking communities adjacent to the roads in the identification of priorities, promoting the emergence of microenterprises, formed by residents of these localities, in charge of road maintenance, and strengthening the management capacities of local governments.

In the next part of this section, we will analyze key elements of democracy and citizenship in the rural areas, as well as elements of PCR’s manner of operating that strengthen democracy.

\(^{4}\) Together with the legal recognition of indigenous communities and the protection of their lands (included in the 1920 Constitution).

\(^{5}\) This is the ministry that would later become the Ministry of Transportation and Communications. The administration of indigenous issues would later be transferred to the Ministry of Labor (originally called the Ministry of Labor and Indigenous Issues).

\(^{6}\) There are several studies of the law and official indigenism by President Augusto B. Leguía, who governed between 1919 and 1930. See for example Rénique, José Luis, *Los sueños de la Sierra*. Lima: CEPES, 1991.
1.1 KEY ELEMENTS OF DEMOCRACY AND CITIZENSHIP IN THE RURAL SETTING

1980 was a key date in Peru’s political timeframe. Following 12 years of military government, periodic elections have been held without interruption since 1980, allowing Peruvians to elect national and local authorities. Although all of the Republic’s Constitutions have recognized the right of citizens to elect their local authorities, it was only since 1980 that local governments (the governance of municipalities) were formed by elections every three years without interruption (the municipal governance period has recently been expanded to four years); prior to this date, there had been only one municipal election in the 20th century, that of 1966, but the governance period was interrupted by a military coup d’état in 1968.

Moreover, in 1980, through the implementation of the Constitution approved that same year, the right to vote was exercised for the first time with no sort of exclusion. In rural areas with a high concentration of illiterate and traditionally excluded populations, this meant the definitive transformation of municipalities from a pillar of “ethnic administration,” i.e., an agency of political control over excluded majorities, into an effective example of representative government. Since then, the right of citizenship began to be exercised starting at the age of 18. The change in the rights of citizenship in effect since the 1980 Constitution may be observed by comparing the number of voters in the last municipal elections prior to the military coup, those of 1966, and those held in 1980 after the transition. In 1966, voter registration records showed 2,316,188 voters, equivalent to 20% of the total population; 1980 records showed 6,431,651 voters, equivalent to nearly 40% of the population. Between 1980 and 2006, nine municipal election processes were held, although in zones where the internal armed conflict took place three of these (1983, 1986, and 1989) were suspended. In total, including general elections, the population was called to cast its vote 21 times in this same period.8

7 Until 1980, a municipal law enacted in 1892 had remained in effect; it established the constitution of local governments by voting with the restrictions on citizenship that were then in effect: only men, landowners, and those literate in the Spanish language could vote. The 1896 electoral code eliminated census-based exclusion but retained gender and educational exclusion. Voting by women was recognized in 1957; the exclusion due to illiteracy was only eliminated in the 1980 Constitution.

8 Added to the abovementioned municipal elections are: 7 national elections to elect the President and Congress, 4 processes of second-round voting for the President, and 1 election of the Constituent Congress in 1993.
This general backdrop shows five key elements of the democratization process with different behaviors in the rural setting: the conditions of political participation by the rural population; the strengthening of local governments through increased skills and resources; the expansion of the state’s presence in rural settings through decentralized public agencies; changes in local civil society, particularly in the case of peasant communities, and new areas in which citizens can exercise their political rights.

(a) The rural population’s participation in elections

The only study conducted in Peru on the voting behavior of rural populations\textsuperscript{9} showed, through an analysis of national and municipal election processes between 1980 and 1990, that voter participation in the country’s 51 most rural provinces was significantly lower than that of the country as a whole, and that in both cases, participation in municipal elections was lower than in presidential elections:

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<td>National</td>
<td>82.5%</td>
<td>69.1%</td>
</tr>
<tr>
<td>Rural</td>
<td>76.6%</td>
<td>55.2%</td>
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Source: Monge 1997, 331

In fact, the major difficulties and higher costs for rural voters traveling to polls located in district capitals would influence greater rural absenteeism in voting processes. Monge (1997) remarks, however, that the decreased participation in municipal elections compared to presidential elections, particularly in more rural provinces, may be associated with a feeling that local governments are less relevant and with the fact that municipal works and services were traditionally concentrated in capital cities: for a rural resident, voting in a municipal election would entail a high cost and little benefit. It should also be added that, until 1980, there was no tradition of electing mayors or town councilors, who instead were appointed by the central authority.

However, since then, the functioning of local governments has become more complex and their available resources have steadily improved, as we will see in the next section. Thus, participating in a municipal election may in fact have a significant effect on access to new resources. In addition, ongoing electoral processes (unlike what occurred in the past) allow once-excluded populations (even those formally excluded in the poorest zones and indigenous peoples due to their illiteracy) to become increasingly aware of the power of their votes.

This experience of new rights and influences on the balances of local power by the rural population could also explain the strong recurrence in rural districts of processes in which the population has taken the initiative to remove authorities from office: in rural settings, democracy is turning into a recurring experience of citizen power, which may be expressed as increasing demands for inclusion in municipal actions.

In this process, rural location, i.e., distance from capital cities where voting places are located and which are the seats of municipal government, and difficulties in traveling to these cities, would remain the key restriction to the exercise of these new rights.

One more element should be added: it refers to the political participation of women who, in rural areas, are the persons who have the most difficulty in exercising their rights. Disaggregated data by gender on the level of voter participation has only very recently been made available, so there is no study of this matter. What can be observed is the national policy of encouraging women to compete in the rosters of candidates.

Since 1997, Peru’s electoral system has required elections to include a quota of female candidates, aiming at balancing political participation in terms of gender. It was established that 25% of candidates should be women; this figure increased to 30% in 2001. In electoral processes, the “gender quota” shows the concern that various sectors of Peruvian society have about promoting equitable conditions in policy, so that the mostly formal mechanisms of democracy do not disguise real exclusions.

However, having 30% of the candidates comprised of women does not mean that election results will show a similar proportion of elected women representatives. In parliamentary elections, the “preferential” vote, insofar as it allows citizens to choose two specific persons (identified by their
number), places in citizens’ hands the effectiveness of gender representation. In the 2001 election, 18.33% of elected members of Congress were women; in the recent 2006 elections, this percentage rose to 29.1%.

In regional and municipal elections, the number of women who enter into positions of representation depends on the position they hold in the rosters prepared by the political organizations that are elected. In many cases, the “gender quota” is handled as a “filler,” i.e., women candidates are placed in the final slots (positions less likely to be filled in councils). A presence of women in the first slots (or even in the position of mayor) generally signifies an acknowledgment of women leaders as well as the need for a higher female vote when this is really an independent process. Generally, in municipal elections, the proportion of women elected is slightly higher in district positions than in provincial ones, probably because opportunities for forming female leaders are more local in nature (mothers’ clubs, for example). Following the recent municipal elections, 22.7% of provincial positions (mayors and councilors) are occupied by women; this percentage increases to 24% in the case of district positions. However, the recent elections show a slight decrease in the number of women mayors. In 2002, 7 women were elected provincial mayors and 49 as district mayors; in 2006, 5 women were elected provincial mayors and 46 as district mayors.

In general terms, it could be said that in Peru, advances in gender equity at the level of political participation require particular efforts or specific policies. Where no public or private institution promotes women’s participation—in different political, economic, or social fields—it is more likely that political practices which exclude women will continue to be found. The issue is important for direct actions that promote female leaders and because the formalization of various promotional activities (formation of businesses, access to credit) requires women to obtain their National Identity Card. It is known that in some regions, particularly in rural areas, a large number of women lack documentation; this is known from intervention experiences (in credit or parcel titling programs, for example), but the number is not known, precisely because these women are not registered anywhere.
Municipalities (local government agencies) in Peru are the democratic governance authorities closest to the population; for many of the country’s towns, particularly for populations outside large cities, they are the only authorities. They deal with the conditions and quality of life of people throughout the country; due to the great unmet needs of most Peruvians, particularly those in rural areas, these authorities handle many of the population’s demands and expectations.

Peru has 1,830 municipalities (195 provincial, 1,635 district). Only 6% of local governments (106) are in charge of districts where over 50,000 people live; close to 54% of the population lives in this 6% of districts. These are large municipalities, with numerous workers on the payroll and the ability to have qualified personnel for planning and conducting services and works. The remaining 46% of the Peruvian population is spread throughout smaller districts. The smallest, with fewer than 5,000 inhabitants, account for only 11% of the nation’s population, but they total 1,106, i.e., 60% of territorial government units. In rural areas, 1,062 districts, i.e., 58% of the country’s districts, have a mostly rural population. These are home to about 27% of the nation’s population. The local governments in these places must manage resources for a highly scattered population. Most local governments are small and/or rural.

These government agencies close to the population have experienced increasing responsibilities since 1980. In the context of the decentralization process, a new organic law on municipalities, enacted in 2003, has increased their numbers; municipalities are in the process of being transferred projects and functions that were formerly centralized in the national government. The President of the Republic has even announced the start of a process to municipalize education.
Together with increased responsibilities, the resources available to municipalities have been increasing since 1993 when the FONCOMUN\textsuperscript{12} was created. In 2000, for example, local governments managed less than 4\% of the Republic’s general budget. In 2006, they received transfers of around 5,025,499,301.32 soles, out of an executed general budget of 50,047,206,302 soles: nearly 10\%.

This sort of consolidation of government agencies closer to the population entails a difficult processing. First, the greater demands of local management through the transfer of budgets and responsibilities are not supported by skills development programs. Frequently, small municipalities, whose personnel have little technical training, and which have increasing amounts of economic resources (for example, those benefiting from a certain rent or annuity), are unable to execute their budgets despite the enormous unmet needs of their population. This generates high levels of dissatisfaction.

Second, municipal legislation does not clearly differentiate between the duties of local government agencies at the provincial level (which entails several districts) and the district level. This not only introduces confusion and hinders the accountability process; it also scatters works and budgets without identifying a clear level of development planning. Thus, provincial governments scatter resources in small local works without assuming a level of management for the provincial territory as a whole, and small, fragmented district-level municipalities disperse their development efforts.

Finally, since 1990 the number of local political organizations competing in municipal elections has multiplied, due to the increased weakening of the political party system. Increasingly, small groups of citizens, generally gathering around a visible figure, try to attain the municipal seat, dispersing the vote (few mayors are elected by more than one third of voters), with no supporting political structures, no solid proposals, and no national or regional political linkages through which to circulate information and lessons learned from management. In light of the increasing availability of resources and responsibilities transferred from the central government, many municipalities become places with very high levels of conflict.

In small local governments, for example, this translates into a growing number of consultations on revoking mandates: 61 local governments elected for the 1996–1998 period had to face processes of

\textsuperscript{12} Municipal Compensation Fund (Fondo de Compensación Municipal).
consultation on revocation; for those elected for the 1999–2002 period, the number rose to 175, and for those in charge of local governments between 2003 and 2006, the number of these consultations rose to 206. In most cases, these were processes in small, highly rural districts. Since 2004, moreover, a high number of “conflicts” (disruptive collective actions) between residents and municipal authorities have been reported by the Public Defender’s Office. Many of these accompany requests to the National Board of Elections for authorities to “vacate” their positions.13

Thus, democratization processes such as making public decision making accessible to the population by transferring responsibilities and resources to their closest governments, still require the strengthening of local institutions and management capacities.

(c) Expansion of the state’s presence in the rural setting

Following the processes of structural adjustments and pacification in the country, particularly in the rural setting, new public institutions (special projects or funds for poverty alleviation) have been developing under the oversight of the central government, with the aim of improving the population’s living conditions, particularly that of persons living in poverty. The National Fund for Compensation and Social Development (FONCODES) or the National Program for River Basin Management in the Sierra (PRONAMACHS), for example, were national programs with a strong effect on rural areas. Although they managed to recover the State’s presence in distant and neglected areas, inject resources into rural societies with high levels of poverty, and help reverse part of the destruction of public assets caused by the internal armed conflict, their service strategies and the institutional arrangements associated with their activities did not help strengthen the democratization process or democratic institutions.

13 Consultations on “processes of revocation” are requested by the population in exercise of the rights defined in the law of citizen participation and control. These processes require the support of at least 25% of citizens who are registered voters. This requirement is easier to comply with in small areas. The “vacancy” mechanism operates at the request of Municipal Council members. It occurs more frequently in larger municipalities where collecting signatures for a process of revocation is costly. “Conflicts” frequently unfold when the National Board of Elections does not accept the vacancy request, or when a mayor is kept from attending a council session and obtaining the necessary number of absences necessary for the vacancy to be declared due to abandonment. In April 2004, in the town of Ilave, Puno, the provincial mayor was murdered during a major local conflict, precisely when he tried to hold a council session that would have helped him avoid removal.
First, the high level of discretionary authority in decisions on who would benefit has been interpreted as the opening of favoritism relations, in which public benefits stem from political support, meaning processes of including the population but under conditions of dependence upon and subordination to the State.

Second, the works and projects that were carried out were not coordinated with the municipalities. This showed situations of parallelism, especially in the 1990s, when municipal resources were not as significant, and of competition with actions by democratically elected authorities who then appeared to be less efficient than the discretionary staff of the executive authority, thus losing their legitimacy.

Third, most special projects and funds operate by generating ad hoc organizations (management committees, environmental committees) which have contributed to the deterioration of peasant communities, within which various micro-organizations associated with some social policy, or with some specific NGO project, without mutual coordination, manage to obtain works or resources that legitimize their leaders to the detriment of community leaders. These organizations are small, extremely weak, and have little autonomy; they express the fragmentation and pulverization of social organization in Peru and contribute to it.

Martín Tanaka, analyzing popular participation in these types of programs, finds that, in small villages or communities (places with “little complexity,” in the author’s terms), this participation is highly dependent on the initiatives of public servants; furthermore, participants have practically no ability to negotiate. In many cases, participation means contributing labor. In more complex places (villages, small cities; places with “medium complexity”), the organizations would be less dependent on the initiatives of public servants, but they tend to generate “specialists” (Tanaka uses the term “brokers”): “They are figures with relations, training and experience; they tend to have political experience (…) Their involvement is fundamental both for the community, which requires them to enter into a relationship with development agents, and for the latter, who need qualified interlocutors.”

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These decentralized public bodies are also entering into the decentralization process and are partially transferred to local governments. However, the start of the transfer, for example from FONCODES, was fraught with conflict, because it was expected that the municipalities would function only as “windows” to deliver funds applied to project and management committees preselected by the program. In the case of the transfer of the Community Kitchens Program (Programa de Comedores Populares), for example, bureaucratic requirements sought to reproduce at local government scale the same national management structure, generating a high level of inefficiency, to the point that it became necessary to reduce the fund slated for the purchase of foods in order to pay for a new local bureaucracy. The case of PRONAMACHS has been ambiguous: it was included in the first transfer plans, but then for several years it was no longer mentioned. In all of these cases, the transfer processes appear to have contributed little to the strengthening of local management capacities, but they have not signified changes in dealings with beneficiaries who are always dependent on the state’s discretionary authority, even in its municipal version.

A change in the relations between the state and society in rural areas with high levels of poverty toward the establishment of more democratic relations may be contained in the government’s recent announcement on the implementation of the plan for collective reparations to communities that were affected by the political violence of the 1980s. As designed, the program consists of rebuilding the capital assets of communities which lost public and private assets (livestock, homes, farm tools, crops, seeds, etc.), placing in their hands not only the program’s resources but also decisions regarding their investment, without the interference of public officials. However, this announcement was made very recently.

(d) Changes in civil society, particularly in the status of peasant communities

In different studies, authors such as Díez Hurtado have warned about certain debilitating processes in peasant communities, the agencies representing most of the Sierra’s rural population. Díez finds a situation in which there is a crisis of management and a loss of legitimacy of communities and even of that which is “communal.”15 This process is associated both with the growing weight of municipalities in providing services, and with the development of small organizations to negotiate

projects with State entities and NGOs. Between these, this type of peasant society liaison lacks the functions of representation and of obtaining resources for its members; its traditional function of managing communal resources (land, water, pasture) also tends to weaken with the increase in trends toward the privatization of micro-parcels\(^\text{16}\) and the growing importance of obtaining resources for poverty alleviation, with respect to agricultural and livestock activity. The process of debilitation is particularly serious in zones that were exposed to political violence.

However, the process is not always that way. In some zones of the Selva region, organizations that combine the representation of interests and business services, such as coffee sector cooperatives and unions, are consolidating.\(^\text{17}\)

Levels of linkage between civil society and rural locations are different but in many cases they run the risk of high levels of fragmentation.

\[
\text{(e) New opportunities for rural citizens to exercise political rights}
\]

Finally, citizenship as the exercise of political rights has tended to expand considerably.\(^\text{18}\) Added to increased voter participation without exclusions are new rights of participation since 1993. On the one hand, opportunities for the exercise of democracy have been defined as the rights of legislative initiative (unfortunately, very little used) and the ability to revoke the mandates of local elected officials, to which we referred previously. On the other hand, recent legislation has brought together a rich and varied experience self-generated by local governments in the 1990s in inviting local organizations to work together in preparing municipal plans and budgets. Today, all local governments are required to establish Local Consensus-Building Councils (CCLs, as for its Spanish acronym) with the participation, along with the Municipal Council, of representatives of local civil society organizations, whose purpose it is to prepare the locality’s strategic development plan and propose an annual participatory budget. They are also required to call for participatory preparation of their annual budgets, for which the Ministry of Economy and Finance must prepare guidelines

\(\text{\textsuperscript{16} The process is similar in different Andean countries. See for example the articles contained in Eguren, Fernando (comp); “Reforma agraria y desarrollo rural en la región andina”, CEPES, Lima 2007.}\)

\(\text{\textsuperscript{17} See Remy, María Isabel. Cafetaleros empresarios. Dinamismo asociativo para el desarrollo en el Perú; IEP – Oxfam, Lima 2007.}\)

\(\text{\textsuperscript{18} On the subject of new citizen participation mechanisms in Peru, see Remy, María Isabel, Los múltiples campos de la participación ciudadana en el Perú. Un recorrido de terreno y algunas reflexiones. IEP, Lima 2005.}\)
that are improved each year. Finally, the Organic Law of Municipalities also stipulates the obligation of all mayors to provide accounting statements to the population at meetings held at least twice a year.

Of all these new opportunities for citizen participation, it is probably the participatory budget that, in terms of a growing democracy, is changing the relationship between the government and those it governs at local level. The participatory budget makes it possible to control the use of public resources as a mechanism of political patronage to obtain support, because it significantly reduces the discretionary authority of mayors with regard to the allocation of investment budgets.

However, there are two problems at this time. One is the weakness of organizations representing rural residents and their tendency to become fragmented; the other is the poor quality of strategic plans for local development which end up not being used as a reference for works in each annual budget. Rather than synergy and investment in significant works that would improve the quality of life and open up development options, in many places the trend is to disperse budgets among small, individual works without being able to manage multiannual processes.

New opportunities for exercising citizenship also include the rights to information. The law on rights to information allows any citizen to demand it from government agencies. Moreover, the Organic Law of Municipalities requires mayors to hold sessions in which accounting statements are provided to the population; when the capacities of elected officials and their staff have not been developed, these sessions run the risk of being fraught with conflict.

In terms of new opportunities for exercising citizenship, that is, mechanisms for consensus building and local citizen participation and the rights to information and accountability, the gender equity situation is ambiguous. On the one hand, organized women tend to be invited by municipalities to participate in formal mechanisms; mothers’ clubs or community kitchens tend to be among the civil society organizations in CCLs, and these organizations generally participate in participatory budgets. But their influence is generally limited to poverty issues and social policies; when it comes to electing community representatives who would bring the community’s voice to these processes, men tend to be elected, often ones with a higher level of education or at least a better ability to speak Spanish in places where native languages are spoken. Thus, opportunities for participation
could reproduce “hard” exclusions such as those of gender, indigenous peoples, and persons with little education.

1.2 CONTRIBUTIONS OF THE RURAL ROADS REHABILITATION PROGRAM TO DEMOCRACY IN THE RURAL SETTING

The institutional arrangements associated with the operation of PCR constitute an innovation with regard to the type of State involvement in rural areas. The hypothesis promoted by this study is that they strengthen key aspects of democracy and citizenship in the rural setting. These institutional arrangements unfold in association with three different areas of PCR: the construction of a management model in line with decentralization; the promotion of microenterprises formed by the users themselves to maintain roads, and the encouragement of local development.

(a) Decentralization, development of public municipal management capacities and provincial planning

An initial aspect to be highlighted is the high level of adjustment to the decentralization process, through the transfer of functions to municipalities for the construction, rehabilitation, improvement, and maintenance of road infrastructure. PCR helps to develop capacities in local governments to administer the resources that the project transfers, and to carry out efficient, responsible road management. This strong adjustment of the Ministry of Transport and Communication (MTC, for its acronym in Spanish) to decentralization would allow the consolidation of local governments as efficient, transparent spaces for neighborhood participation.

To achieve this goal, since 2001 PCR has been creating an institutional model that facilitates inter-district coordination, is aimed at consolidating a provincial view of road management, and strengthens links between beneficiary communities and authorities. Thus, the Provincial Road Institutes (IVPs), which bring together the district mayors of a province and the provincial mayor who presides over them, have become a factor of local institutional organization and of the strengthening of rural stakeholders’ capacities (empowerment), and thus are promoters of democracy. The first IVP was created in the city of Arequipa; according to the latest Operational Manual report, in 2003 there were 22 IVPs that had begun the transfer process and 10 more were expected to be created in 2004. The Executive Director of Provías Descentralizado (named Provías
Rural before) now proudly tells us that 130 IVPs have already been implemented throughout the country.

The identification of the provincial setting as a level of planning makes it possible to decentralize functions without fragmenting and breaking up the State. The program enables the generation of a public management culture that considers local and micro issues, within a larger space, and vice versa. This allows the identification of general interests and clear criteria for interaction among different district-level representatives, building a public space for discussion of mutual interests. Being able to implement a provincial view also contributes the possibility of implementing successful rural land development strategies.

For PCR, municipal strengthening is aimed at increasing the capacities of municipal staff and of other stakeholders involved in road management. The municipality is thus positioned as the key actor in the process but in a close relationship with other local actors. Thus, PCR seeks to enhance the capacities of local leaders, beneficiary communities, companies in charge of providing services, and truckers. As its personnel indicate, the purpose is for the community as whole to take charge of the roads and consider them as factors in its own development. It creates awareness in everyone of their role as agents of local change.

The Operational Manual’s specific section on IVPs indicates that, to strengthen road management, participation must be achieved in five areas of action:

i) local development: seeking to make the municipality become a promoter of development and reach agreement with other actors in the society, finding synergy between public and private interests.

ii) institutional strengthening of local governments: seeking to modernize the municipal structure so that staff and offices can work systematically, guided by a strategic plan that takes into account the area’s opportunities and demands; strengthening the levels of local development planning in the management of resources and of communication systems.
iii) quality in public services management—roads: focused not only on meeting neighbors’ demands but also on gearing services toward the achievement of a better quality of life, making effective use of the few resources available.

iv) transparency in management: this implies institutionalizing citizens’ participation in the oversight and control of their authorities, disseminating the municipality’s actions, and training local leaders. This component directly attacks the key element of patronistic policies: corruption.

v) consensus building and citizen participation: ensuring that the latter becomes institutionalized, is proactive, seeks shared responsibilities, and is transparent and respectful of the contributions that the population may make.

Citizen participation has been a cross-cutting element of PCR since its foundation. The involvement of different public and private actors in PCR’s management and the production of interactions and trust have been developing since the stage of prioritizing works to be carried out. Participation has been successful and is totally voluntary, creating new links of trust between local actors and the MTC, thereby breaking down the effective distance between the rural population and the State, altering a tradition of vertical relationships, little respect for social organizations, and the discretionary authority of personnel.

This prioritization consists of various stages. First, provincial and district mayors indicate which neighborhood roads (horse trails or cart paths) would need rehabilitation, improvement, or maintenance. They do this with a scheme pre-established by PCR that allows them to be positioned in proximity to population centers, communities, and departmental or national routes. Doing this with the same format allows the information to then be shared by all those in attendance and systematized in an orderly manner. Once the importance of the roads for each of the actors has been indicated, collective prioritization workshops are held based on objective selection criteria prepared by PCR. Criteria such as demand for the road, the social impact it will have (that is, the number of people in extreme poverty located around the zone to be rehabilitated), accessibility to public services such as education or health, whether or not this road is connected to a national or departmental network, etc., are considered by the attending mayors and by community representatives in order to collectively determine the work’s priority. Each of these criteria has a coefficient that makes it possible to objectively carry out, with the participants, the final mapping of
the roads, by order of priority, that will be rehabilitated or improved. Finally, the district mayors
and the provincial mayor sign the prioritization document which becomes a guarantee for all and a
commitment to be met. The person who is in charge of this process and who will conduct the initial
invitation is the MTC’s zone agent.

One of PCR’s objectives is thus achieved: *The actions carried out by the Program are subject to the
interests of the rural population; in this regard, rural roads are pure public assets and should be
provided without political interferences or private interests, if we really want to guarantee the
effectiveness and efficiency of our interventions.* This principle of action also makes it possible to
attack one of the key pillars of political patronage, which goes against the idea of rights and duties,
as well as the possibility of exercising citizenship without any “sponsor” in power.

Furthermore, this work mechanism makes it possible to train mayors and community
representatives in consensus-building processes; it enables the learning of a procedure that can be
replicated in the process of budget consensus building that municipalities should undertake each
year and that, if poorly conducted, can be the source of conflict. The use of maps, the territorial
reference essential for road planning, introduces ideas about spatial management to all.

As the 2006 Operational Manual indicates, IVPs are in charge of giving “*technical assistance to
municipalities for the development of Provincial Transportation Plans, the management systems
associated with their implementation, and the development of mechanisms to finance road
management; (they are also in charge of) helping communities to participate in the identification of
projects as well as in their operation and maintenance.*”

(b) Microenterprises for the maintenance of rehabilitated roads

The program’s second radical innovation is the creation of Routine Road Maintenance
Microenterprises (MEMVR) which are contracted by local governments and constitute new local
actors. MEMVRs are organizations in charge of a service, in a contractual relationship with the
municipality; they are created in a participatory manner with the community and are composed only
of men and women who live near the road sections that will be maintained, who live in poverty, and
are unemployed. Prior to the implementation of the second stage of PCR, 416 Routine Road
Maintenance Microenterprises had been created, generating approximately 4,800 permanent jobs and some 35,000 temporary jobs. There are currently 650 MEMVRs.

The process that was conducted to create each of these MEMVRs was lengthy and particularly cautious of the possible negative effects on the community. It began with disseminating and promoting the business model, its tasks, and commitments, to the entire community so that from the very beginning it would be a transparent and communicative process. The invitation and preselection of possible members of the MEMVR are conducted during a meeting that seeks to horizontally explain the objectives of this project. All interested persons are invited to attend this meeting, but the need to have at least 30% of participants be women is expressly proposed. Besides having a gender quota, the final selection should also take care not to generate processes of “elitization,” i.e., no relative up to the fourth degree of blood relationship may form part of the companies as members. Finally, the hiring of thousands of temporary laborers to carry out the works is done through turnover of one third of the workers, thereby assuring that the largest possible number of community members is benefited, rather than concentrating on a “privileged” group.

We want to especially highlight this process in the present study because it breaks with the typical form of intervention by the state and many NGOs operating in rural areas, which tend to create organizations without the participation and oversight of the entire population, very often creating parallel agencies that alter the institutional processes typical of rural areas and generate conflicts of power and greater fragmentation. Instead, the creation of these MEMVRs seeks a commitment with the general population and to create links of trust.

The way in which compensation is given for the service provided assumes a prior evaluation of the work. There is a team of local monitors who travel the kilometers that the enterprises must maintain in good condition and who issue a report. Depending on how this is, payment is either made to the MEMVRs or noncompliance with the contract is penalized (via a reduction in payment by a certain percentage).
(c) Local Development Windows

The third institutional innovation is the creation of the Local Development Window (VDL) program, whose objective is to attract public or private investment in productive projects in zones where road rehabilitation or improvements have been carried out, in order to guarantee or enhance the impact on local development. It operates in alliance with a national NGO, Caritas Perú, which is in charge of developing this program in the selected localities.

The program has five stages: a) identification and prioritization of the zone’s problems and opportunities; b) preparation of a district development plan in collaboration with authorities and beneficiary communities; c) support for the preparation of pre-feasibility and feasibility profiles of the projects that are expected to be carried out; d) management of and search for financing, and e) project implementation and management. The scheme that is followed is similar to that used in the IVPs and in the preparation of provincial road plans: agreement between the authorities and the population on carrying out projects or works that all consider priorities. This element makes it possible to consolidate a participatory, conciliatory political culture.

The last element of the VDL to be highlighted is the fact that it has become another tool to support local governments. It supports local governments that want it in the preparation of district-level participatory development plans and develops open courses on project management, among other activities. In this manner, the management and planning capacities of local authorities continue to be strengthened.

It is worth noting that, just like participation, gender equity is a cross-cutting issue in PCR, although a considerably more recent one. The inclusion of women in microenterprises or in VDL projects, as well as the facilitation of workshops and various training activities, with the specific concern by PCR staff about not excluding women, could favor the creation of spaces where female leaders are promoted, or at least where the presence and participation of women become routine.
2. ANALYSIS OF INFORMATION

The study of PCR’s impacts on democracy and citizenship has explored five key elements of democracy and citizenship in rural settings, the effect of rural road construction, and institutional arrangements for PCR’s operation. Thus, the variables of observation, on which a set of indicators were developed, were:

- Improvement in the exercise of universal rights of participation
- Strengthening of the municipal public institutional framework
- Democratization of relations between those who govern and those who are governed
- Strengthening of civil society
- Expansion of opportunities for the exercise of citizenship

This section presents the methodology used in the study and the results obtained.

2.1 METHODOLOGY USED IN THE STUDY

Two types of information were collected for this study: quantitative and qualitative.

The quantitative information collected is of two types: one is official, while the other was generated by research.

The official information used refers to citizen consultations, from both the electoral results from the National Office of Electoral Processes (ONPE) on municipal elections in 2002 and 2006, and the results of processes of consultations on revoking mandates which were held between 1997 and 2005.
Analyzing both databases meant prior work on building PCR’s district-level database. In fact, the scope of analysis regarding the political participation processes of the rural population is the district, the minimum unit of governance, and the closest reference point for rural populations. At the provincial (inter-district) level, that which occurs in the countryside runs the risk of becoming diluted or hidden behind information from the urban areas constituted by capital cities. However, PCR has different units: either the provinces, because the IVPs are formed there, or the road sections overseen by MEMVRs. The district, which is in between them, is a secondary reference point and thus the district database is not always complete. Using PCR’s different databases, we have reconstructed a consolidated district database (see Annex 1 in the main study), as summarized below:

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<th>Departments</th>
<th>Total</th>
<th>Stage 1</th>
<th>Stage 2</th>
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<td>58</td>
<td>18</td>
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<tr>
<td>Ancash</td>
<td>70</td>
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<td>Huancavelica</td>
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<td>50</td>
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<td>Junín</td>
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<td>Ayacucho</td>
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<td>Puno</td>
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<td>Arequipa</td>
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<tr>
<td>Madre de Dios</td>
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<td>5</td>
<td>0</td>
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<tr>
<td>Ucayali</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>558</td>
<td>395</td>
<td>163</td>
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</table>

Source: Annex 2 of the main study

The key features of these districts are:

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</tr>
<tr>
<td>Puno</td>
<td>32</td>
<td>23</td>
<td>9</td>
</tr>
<tr>
<td>San Martín</td>
<td>27</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>Pasco</td>
<td>20</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Arequipa</td>
<td>12</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>Madre de Dios</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Ucayali</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>558</td>
<td>395</td>
<td>163</td>
</tr>
</tbody>
</table>

Source: Annex 2 of the main study
Most districts (55.6%) are small, with fewer than 5,000 inhabitants. Due to their size, they often have few economic resources and few technical and professional staff (it should be noted that these constitute the majority of the country’s districts). PCR is also carried out in medium-sized districts (37.6%), with populations between 5,000 and 20,000, and which generally have more management resources. The following tables show that these districts are also highly rural and have low levels of human development:

Table 2-3 Distribution of districts with PCR, according to urban or rural predominance

<table>
<thead>
<tr>
<th>Zone</th>
<th>Districts</th>
<th>Nº</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>493</td>
<td>88.4%</td>
<td></td>
</tr>
<tr>
<td>Urban</td>
<td>64</td>
<td>11.5%</td>
<td></td>
</tr>
<tr>
<td>s/i</td>
<td>1</td>
<td>0.2%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>558</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>


Table 2-4 Distribution of districts with PCR, according to their placement on the 2005 Human Development Index’s rankings

<table>
<thead>
<tr>
<th>HDI Levels</th>
<th>Districts</th>
<th>Nº</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Level (Ranking: 1 to 366)</td>
<td>15</td>
<td>2.7%</td>
<td></td>
</tr>
<tr>
<td>Medium Level (Ranking: 367–732)</td>
<td>94</td>
<td>16.8%</td>
<td></td>
</tr>
<tr>
<td>Medium Low (Ranking: 733–1099)</td>
<td>125</td>
<td>22.4%</td>
<td></td>
</tr>
<tr>
<td>Low (Ranking: 1100–1465)</td>
<td>152</td>
<td>27.2%</td>
<td></td>
</tr>
<tr>
<td>Very Low (Ranking: 1466–1831)</td>
<td>172</td>
<td>30.8%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>558</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Note: UNDP’s HDI weighs the following variables: life expectancy at birth, illiteracy, level of education, and monthly per capita income.

Source: UNDP. Our own preparation.
The second type of quantitative information is self-generated for this study, based on a questionnaire given to heads of PCR’s Zone Units, regarding the leadership of MEMVR members at local level.

The qualitative information was collected through interviews and workshops with the key local actors involved with PCR who participate in local political affairs. It was focused on analyzing PCR’s institutional arrangements (described above) and their consequences on the strengthening of democracy and the exercise of citizenship.

(a) Units of analysis

To evaluate PCR’s impact on strengthening rural institutions and leaders, creating opportunities for democracy and the exercise of citizenship, we considered the following actors as units of analysis:

- **Local governments**: Local governments, through the transfer of functions, are taking charge of the construction, rehabilitation, improvement, and maintenance of road infrastructure. We studied PCR’s contributions to the consolidation of these local governments (district and provincial) to find whether these are efficient, transparent spaces for neighborhood participation.

- **Provincial Road Institutes (IVPs)**: The IVPs are institutions that facilitate inter-district coordination; that is, they seek to consolidate a provincial view of road management and strengthen the ties between beneficiary communities and authorities. As a factor of the local institutional framework and of the strengthening of the capacities of rural actors, and as promoters of democracy, the study of IVPs was extremely important for this consultancy.

- **Microenterprises**: The microenterprises promoted by PCR are organizations created in a participatory manner with the community and are composed of neighbors of the zones benefiting from road maintenance. Their constant interactions with the local community, the community, and the IVPs made this actor a very rich source of analysis.

- **Beneficiary community**: The idea of the program is for the community as a whole to take charge of the roads and consider them a factor in their own economic development efforts. This creates
an awareness of their role as agents of local change and enhances their participation in local public issues.

Our study includes interviews with other actors whose participation in and knowledge of the program provided us with valuable information: staff of zone-level units and road and social monitors. Moreover, in districts located in Peru’s Selva region, we interviewed members of Caritas, an NGO in charge of carrying out Local Development Window projects, and the beneficiaries of these projects.

(b) Study area

We visited three Zone Units in different departments of the country. Two of these are located in Peru’s Sierra region and one in the Selva region. In each zone we visited an average of two IVPs and interviewed representatives of the respective provincial governments. We also contacted at least two MEMVRs that work with each of the IVPs, and we interviewed officials of municipalities in those districts in which these microenterprises conduct their work. Finally, we visited one community located in the work zone of each MEMVR.

Table 2-5 Summary of work

<table>
<thead>
<tr>
<th></th>
<th>Ancash</th>
<th>San Martín</th>
<th>Ayacucho</th>
<th>Huancavelica</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workshop for monitors</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>IVP team</td>
<td>4</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Zone Unit team</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>VDLs</td>
<td></td>
<td>6</td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>MEMVRs consulted</td>
<td>6</td>
<td>7</td>
<td>2</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td>Local community</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>17</td>
</tr>
<tr>
<td>District mayors</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Provincial mayors</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Regional authorities</td>
<td>1</td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23</strong></td>
<td><strong>26</strong></td>
<td><strong>14</strong></td>
<td><strong>12</strong></td>
<td><strong>75</strong></td>
</tr>
</tbody>
</table>

19 The trip to Huancavelica-Ayacucho is considered a single work unit since, due to their proximity to one another and types of work conducted, the ties between the districts of both departments are very strong. This is why no visit was made to the Huancavelica Zone Unit.
(c) Data collection instruments

- **Questionnaire for zone chiefs:** A questionnaire was prepared for the 12 zone chiefs. This made it possible to obtain basic information on the microenterprises and IVPs in each region. It also made it possible to:
  - identify the zone units, provinces, districts, and microenterprises to be visited;
  - learn about the various democratic-participatory experiences and/or conflicts in each zone unit;
  - provide one element of the study’s quantitative data: the number of MEMVR or IVP members who have participated or are participating as local representatives.

- **In-depth interviews:** Semi-structured, in-depth interviews were held with members of local governments, members of microenterprises, officials of Provincial Road Institutes, and members of beneficiary communities. The interviews addressed issues such as: institutional strengthening of local governments and of IVPs, potential and problems of participatory spaces, role of the MEMVRs, etc.

- **Workshops:** Group sessions were held in the study zones in the form of workshops, with micro-entrepreneurs and with monitors. This type of record made it possible to understand the situation, the differences and similarities that each group of actors has with respect to the program’s development in its different stages of execution, and what they expect of future development.

2.2 RESULTS OBTAINED

Variable 1: Improvement in the exercise of universal rights of participation

This variable consists of two indicators: the increase in the population’s participation in the 2002 and 2006 municipal elections and the intensity of efforts to revoke the mandates of authorities.
It is important to state that conclusions based on this level of information suggest that it is not possible to totally isolate PCR’s influence; thus, it is not very consistent to introduce “witness” districts since the fact that PCR does not exist there does not mean that there are no new road works. These results are indicative of a connection, however, because these activities are systematic only in the areas of PCR’s influence.

(a) Increase in voter participation

An initial assessment of the level of voter participation, comparing the 2002 and 2006 municipal elections, shows that those departments where PCR districts are located have seen a significant increase in their levels of participation:

<table>
<thead>
<tr>
<th>Table 2-6</th>
<th>Voter participation (% of votes cast with respect to total voters) in the 2002 and 2006 municipal elections, by gender, according to departments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departments</td>
<td>2002 Elections</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>PERU TOTAL</td>
<td>84%</td>
</tr>
<tr>
<td>Huancavelica</td>
<td>77%</td>
</tr>
<tr>
<td>Ayacucho</td>
<td>76%</td>
</tr>
<tr>
<td>Huanuco</td>
<td>76%</td>
</tr>
<tr>
<td>Apurímac</td>
<td>78%</td>
</tr>
<tr>
<td>Cusco</td>
<td>80%</td>
</tr>
<tr>
<td>Cajamarca</td>
<td>83%</td>
</tr>
<tr>
<td>Ancash</td>
<td>82%</td>
</tr>
<tr>
<td>Pasco</td>
<td>81%</td>
</tr>
<tr>
<td>Puno</td>
<td>88%</td>
</tr>
<tr>
<td>San Martin</td>
<td>81%</td>
</tr>
<tr>
<td>Junin</td>
<td>82%</td>
</tr>
</tbody>
</table>


Most departments where PCR operates have seen an increase in their levels of voter participation, above the national average, particularly in departments of the central Sierra where the program operates in a significant number of districts (Huancavelica, Apurímac, Ayacucho). In the starting year (2002), most departments showed levels of participation that were below the national average, but in the most recent elections there is practically no difference. But what is particularly notable is the increase in participation by women voters. While at the national level, it has been observed that

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20 PCR is not exclusively responsible for road construction and maintenance; several municipalities and regional governments, including some outside the program’s area of influence, invest in road works.
women’s participation is increasing slightly more than that of men, in the case of the departments under observation the difference is significant. Again, the departments of the central Sierra are very poor (they experienced intense political violence in the 1980s), and the increase in participation by women voters is noteworthy.

The results at the departmental level suggest that we may in fact be facing a positive impact or at least a positive influence. To confirm this, we analyzed changes in voter participation in the set of small districts (with fewer than 5,000 people) where PCR operates, in departments where the program has greater coverage. We decided to analyze and select these small districts because, without the interference of information from urban areas, the behavior of rural voters should be more evident. The complete results are shown in Annex 2 in main study and are summarized below:\footnote{Unfortunately, at this level of district disaggregation, we lack information by gender.}

Table 2-7  
Voter participation (%) in the 2002 and 2006 municipal elections, in small districts where PCR operates, according to the stage of operational start-up

<table>
<thead>
<tr>
<th>Selected Districts</th>
<th>No. Districts</th>
<th>2002</th>
<th>2006</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Roads Stage 1</td>
<td>129</td>
<td>75.4%</td>
<td>86.1%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Rural Roads Stage 2</td>
<td>56</td>
<td>75.5%</td>
<td>86.3%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Total Selection</td>
<td>185</td>
<td>75.5%</td>
<td>86.2%</td>
<td>10.7%</td>
</tr>
<tr>
<td>National Total</td>
<td>84.1%</td>
<td>87.6%</td>
<td>3.5%</td>
<td></td>
</tr>
<tr>
<td>Ancash Department</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural Roads Stage 1</td>
<td>33</td>
<td>76.5%</td>
<td>87.3%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Rural Roads Stage 2</td>
<td>14</td>
<td>75.5%</td>
<td>85.8%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Total Selection</td>
<td>47</td>
<td>76.2%</td>
<td>86.9%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Total Ancash Department</td>
<td>82.3%</td>
<td>87.5%</td>
<td>5.2%</td>
<td></td>
</tr>
<tr>
<td>Apurímac Department</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural Roads Stage 1</td>
<td>17</td>
<td>74.5%</td>
<td>86.3%</td>
<td>11.8%</td>
</tr>
<tr>
<td>Rural Roads Stage 2</td>
<td>12</td>
<td>74.8%</td>
<td>84.9%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Total Selection</td>
<td>29</td>
<td>74.6%</td>
<td>85.7%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Total Apurímac Department</td>
<td>78.2%</td>
<td>85.5%</td>
<td>7.3%</td>
<td></td>
</tr>
<tr>
<td>Ayacucho Department</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural Roads Stage 1</td>
<td>23</td>
<td>75.4%</td>
<td>86.5%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Rural Roads Stage 2</td>
<td>6</td>
<td>77.1%</td>
<td>87.9%</td>
<td>10.9%</td>
</tr>
<tr>
<td>Total Selection</td>
<td>29</td>
<td>75.8%</td>
<td>86.8%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Total Ayacucho Department</td>
<td>75.5%</td>
<td>84.8%</td>
<td>9.3%</td>
<td></td>
</tr>
<tr>
<td>Cusco Department</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural Roads Stage 1</td>
<td>9</td>
<td>73.2%</td>
<td>84.9%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Rural Roads Stage 2</td>
<td>8</td>
<td>73.4%</td>
<td>85.5%</td>
<td>12.1%</td>
</tr>
</tbody>
</table>
With the exception of the Department of Huancavelica, where all ratios coincide at a rather high rate of the increase in participation, the others show increased participation in the small districts where PCR operates that is above (or in cases such as Ancash, Apurímac, and Cusco, significantly above) the average increase in the respective department.

(b) Occurrences of processes to revoke the mandates of authorities

In the design of our research, we had expected to find, in districts where PCR operates, proportionally fewer efforts to revoke mandates of local authorities in comparison with the national total, since those mayors who were carrying out agreed upon road projects would have had more support from the population.

In general, we found almost no differences:


<table>
<thead>
<tr>
<th>Distincts with Revocation Processes</th>
<th>National Total</th>
<th>PCR Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Districts</td>
<td>1,831</td>
<td>558</td>
</tr>
<tr>
<td>%</td>
<td>20%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: Annex 4 of the main study
However, a closer analysis by years\textsuperscript{22}, considering not only the districts but also the revocation processes (in one district, there may have been more than one consultation), and analyzing only those departments where PCR operates, shows surprising results.

\textbf{Table 2-9}  \textsuperscript{\textit{N}° of revocation consultations by departments (2001, 2004, 2005).}

\begin{table}[h]
\centering
\begin{tabular}{|l|c|c|c|c|c|}
\hline
 & Total & PCR & & Total & PCR \tabularnewline
 & Dist. & % & & Dist. & % \\
\hline\hline
Apurímac & & & & & \\
Total & 18 & 11 & 61\% & & \\
2001 & 8 & 4 & 50\% & & \\
2004 & 8 & 6 & 75\% & & \\
2005 & 2 & 1 & 50\% & & \\
\hline
Pasco & & & & & \\
Total & 5 & 3 & 60\% & & \\
2001 & 4 & 2 & 50\% & & \\
2004 & 1 & 1 & 100\% & & \\
2005 & 0 & 0 & & & \\
\hline
Huancavelica & & & & & \\
Total & 27 & 16 & 59\% & & \\
2001 & 9 & 4 & 44\% & & \\
2004 & 17 & 11 & 65\% & & \\
2005 & 1 & 1 & 100\% & & \\
\hline
Huánuco & & & & & \\
Total & 11 & 6 & 55\% & & \\
2001 & 5 & 3 & 60\% & & \\
2004 & 6 & 3 & 50\% & & \\
2005 & 0 & 0 & & & \\
\hline
Cajamarca & & & & & \\
Total & 26 & 14 & 54\% & & \\
2001 & 15 & 7 & 47\% & & \\
2004 & 11 & 7 & 64\% & & \\
2005 & 0 & 0 & & & \\
\hline
Ancash & & & & & \\
Total & 48 & 18 & 38\% & & \\
2001 & 25 & 7 & 28\% & & \\
2004 & 22 & 10 & 45\% & & \\
2005 & 1 & 1 & 100\% & & \\
\hline
Selected Dep. & & & & & \\
Total & 235 & 91 & 39\% & & \\
2001 & 110 & 35 & 32\% & & \\
2004 & 114 & 50 & 44\% & & \\
2005 & 11 & 6 & 55\% & & \\
\hline
\end{tabular}
\begin{tabular}{|l|c|c|c|}
\hline
 & Total & PCR & \\
 & Dist. & % \\
\hline
Cusco & & & \\
Total & 11 & 4 & 36\% \\
2001 & 4 & & 0\% \\
2004 & 4 & 3 & 75\% \\
2005 & 3 & 1 & 33\% \\
\hline
Junín & & & \\
Total & 23 & 7 & 30\% \\
2001 & 8 & 2 & 25\% \\
2004 & 15 & 5 & 33\% \\
2005 & 0 & 0 & \\
\hline
Puno & & & \\
Total & 14 & 4 & 29\% \\
2001 & 6 & 2 & 33\% \\
2004 & 5 & 1 & 20\% \\
2005 & 3 & 1 & 33\% \\
\hline
Ayacucho & & & \\
Total & 18 & 4 & 22\% \\
2001 & 9 & 2 & 22\% \\
2004 & 8 & 1 & 13\% \\
2005 & 1 & 1 & 100\% \\
\hline
San Martín & & & \\
Total & 18 & 4 & 22\% \\
2001 & 10 & 2 & 20\% \\
2004 & 8 & 2 & 25\% \\
2005 & 0 & 0 & \\
\hline
Arequipa & & & \\
Total & 16 & 0 & 0\% \\
2001 & 7 & 0 & 0\% \\
2004 & 9 & 0 & 0\% \\
2005 & 0 & 0 & \\
\hline
\end{tabular}
\caption{Table 2-9}  \textsuperscript{\textit{N}° of revocation consultations by departments (2001, 2004, 2005).}
\end{table}

Source: Annex 4 of Main study

\textsuperscript{22} We have excluded the revocation consultations held in 1997, prior to PCR, and in the districts where PCR is beginning second-stage operations, we only considered the 2004 and 2005 consultations.
The surprisingly high level of consultations on revoking mandates, conducted in districts where PCR operates, and particularly in those with greater levels of poverty (see the left column of the above table), seen within the content of their own departments, would suggest that our interpretation of these revocation processes in rural villages should be reviewed. In fact, on the one hand programs such as Rural Roads could be expected to legitimize local authorities and reduce conflicts; on the other hand, it is also important to consider that, revocation is a right of participation that at least shows interest in public issues. The increase in voter participation may suggest a greater activation of local political life, and that previously ignored rural villages are now making their voices heard, even if in a disorderly manner.

(c) Impact of the PCR on revitalizing democratic leaders in rural areas

The indicator makes it possible to evaluate whether or not the experience of management and consensus building that is generated under PCR can be transferred to other fields of local public management through the election of members of microenterprises or IVPs in local governments or communal government agencies.

To find this, we conducted a survey of Zone Unit directors, the results of which are presented in the following table:

<table>
<thead>
<tr>
<th>Table 2-10</th>
<th>Members of Microenterprises and IVPs in elected offices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ancash</td>
</tr>
<tr>
<td>Regional President</td>
<td>1</td>
</tr>
<tr>
<td>Regional Vice-pres.</td>
<td>1</td>
</tr>
<tr>
<td>Provincial Mayor</td>
<td>0</td>
</tr>
<tr>
<td>Provincial Councilor</td>
<td>1</td>
</tr>
<tr>
<td>District Mayor</td>
<td>2</td>
</tr>
<tr>
<td>District Councilor</td>
<td>1</td>
</tr>
<tr>
<td>CP Mayor</td>
<td>1</td>
</tr>
<tr>
<td>Communal director</td>
<td>1</td>
</tr>
<tr>
<td>Local communicator</td>
<td>Various</td>
</tr>
</tbody>
</table>

Note: The Zone Units of Cajamarca, Cusco, Junín, Arequipa, and Puno did not respond.

At least 82 cases (not including “various”) are registered in only 6 departments, in which MEMVR directors, after being involved in the program, have gone on to hold public management positions. In the only case of its kind, the Regional President of Ayacucho previously had been an IVP manager.
Variable 2: Strengthening of the public institutional framework

(a) Strengthening of local governments.

Local governments are the key actors in a process of successful decentralization. We were interested in understanding PCR’s influence on the following indicators:

First Expansion of the capacity to reach agreement with other governments, whether district or provincial. PCR’s way of planning works - at the provincial level - with its management integrated in the IVP, facilitates the relationship among local governments, offsetting trends toward dispersion and conflict. We found:

1. Cases of the creation of associations of municipalities:
   - In Angaraes, an association of mayors of the districts of the Northeast, Huanta, Huanca-Huanca, Canllanmarca, and Huayhay Grande has been formed; these mayors meet regularly to coordinate efforts. They are seeking the support of the provincial authority to prioritize their section of the road.
   - In Julcamarca (Angaraes), we were informed of the formation of ANDASYNH, an association that includes 6 district mayors from the southern zone of Angaraes–Huancavelica and 4 from the northern zone of Ayacucho. This association supports joint road projects.
   - In Vinchos (Ayacucho), the district mayor is joining with the mayors of Socos, Chiara, and Pampa Cangallo. These four districts have asked to perform joint maintenance of the Hatunjasa–Pachaca–Cangallo route.

2. Experience of mayoral coordination beyond the IVP meetings
   - Having a space for district mayors and the provincial mayor (the IVP’s board of directors) to reach agreement has, according to the mayors, improved their ability to reach mutual agreements. In addition, thanks to their encounters during board meetings, some mayors are coordinating mutual issues. For example, the mayor of Mancos indicates that he will meet with
the mayors of Ranrairca and Yungay to prepare a project attached to the provincial Participatory Budget for the improvement of a road that crosses these three districts.

- In the department of San Martín, the districts of San Antonio, Chazuta, and Sauce are coordinating efforts to submit joint road projects that will benefit tourism activities in the zone.

**Second** Improvement of municipal planning and management capacities. This occurs in some cases where the IVP has a high level of institutional structure.

- Province of Yungay. The provincial mayor asks the IVP’s general manager to support him in all his coordination efforts on the issue of roads in the Ancash region. The IVP is in charge of preparing part of the outlines and technical documents of the different districts that will be approved in the participatory budget. District mayors request the IVP’s support; for example, a district mayor who was suspended for a while requested support to reorganize the municipality, asking the IVP’s manager and chief of operations to be part of the municipality’s permanent committee. They are currently part of the provincial municipality’s permanent committee and are preparing the basic information for bidding on a road that is not included in the Proviás program.

  “Engineer Carlos (the IVP manager) has done so much; I am very grateful because not only does he contribute his strength and willingness to the IVP, but he also works closely with us on issues of education, the hospital, and other projects” (Cico Fernando Álamo Figueroa, provincial mayor of Yungay). The support is for project planning and preparation as well as for coordination with other authorities.

- Province of San Martín. The general manager has established a good relationship with the new provincial mayor who has seen the potential of having an IVP, which he sees as an “example and a leverage for the province’s development.” During the interview, the mayor mentioned that he is considering requesting the advice of the IVP manager on the management and preparation of the province’s road projects. Moreover, the general manager believes that he should seek to be considered part of the municipality’s technical team. He believes that an IVP cannot be sustained—it cannot be funded—without making better use of available human resources (two engineers), and that it makes no sense to pay them only to supervise road
maintenance and to issue payment to the MEMVRs. He indicated that a way to begin institutionalizing the IVP would be by becoming a technical arm of the municipality.

**Third** Improvement in the application of participatory mechanisms. We have found it in ALL cases, even when it is only because the budget for routine maintenance must be contained in the Initial Opening Budget and thus subject to a participatory budget.

- The Regional President of Ayacucho (the former manager of the Tayacaja IVP) has allocated a Dutch cooperation fund (and is negotiating another one with the European Union) to conduct throughout the region an intense phase of dissemination, training, and information workshops on the participatory budget. He has also requested a fund to train a team of experts to carry out and support these information and assistance activities for projects in the region’s various districts and communities.

- Paulino Oré Flores, the mayor of Vinchos, receives numerous requests for new road works. In order for these to be prioritized from a grassroots level, with a mostly Quechua-speaking population (approximately 7,600 inhabitants), the mayor began disseminating the participatory budget, announcing that it will be conducted in Quechua and Spanish. Likewise, the local radio station began disseminating the objectives of the participatory budget and of the prioritization of requests (for roads and other types of infrastructure).

- The Vice President of the Ancash Region, José Luis Sánchez Milla, formerly the president of the Santa Cruz de Sihuas MEMVR, is preparing a regional participatory budget with training for residents. Training was formerly given only in the provincial capitals, ignoring more distant villages and organizations. They are now proposing that training reach everyone, and that it should be adapted to the schedules of community residents. These training courses are the initiative of the peasant organization.

The method used for training has also changed. It is no longer the traditional talk by an expert, with the audience merely listening. More participatory methods are now used, so that everyone can speak and, through the use of local examples, audience members can better understand what the concepts mean. It is also much easier when workshops are held with people who are from the same zone or who understand the zone and speak the language (Quechua).
- In Yungay, to facilitate the means of agreeing on the prioritization of works in the participatory budget, they work with a scoreboard for issues such as economic viability, cultural contributions, etc. In this way, they are trying to avoid a situation in which a district that has more participants receives more benefits, despite not having priority problems. The provincial mayor, Cico Fernando Álamo Figueroa, indicates that the system of assigning values is easier so that works which really are priorities receive more points. The system has adapted the model used to prioritize the agreed upon road plan.

(b) Strengthening of the IVPs.

Achieving a provincial point of view as the key element of development contributes to the coordination of local policies, programs, and practices that avoid dispersion and aid in reaching a better level of rural land development. We have found that this indicator depends on the IVP’s level of institutional structure, but even weak or recent ones indicate to district mayors the need for maintenance.

The cases where more complete provincial points of view have been developed are:

- Yungay. For the IVP’s general manager, Engineer Carlos Ruiz, achieving a provincial point of view is easier in road management because roads generally are not restricted to a single district; in fact, their reason for being is to connect the entire territory. But in Yungay this provincial planning is also applied to the issue of education which requires the coordination of district governments. The same occurs with rural electrification.

- San Martín is now preparing the agreed upon road plan. This will allow it to consolidate a joint view of road development. As a result of this joint effort, provincial coordination is being replicated in other issues, such as those related to National Institute of Natural Resources (INRENA, asfor its acronym in Spanish) and natural resources, issues of citizen safety, etc. The provincial mayor, Christopher Rivero Uzategui, believes that all agencies within his jurisdiction (including NGOs) should coordinate with the provincial government so that efforts are not duplicated.

- Road management, as carried out under PCR, generates interdependence. Highways that are undergoing maintenance cross districts and this obliges them to maintain linkage and coordinate
work. The mayor of Mancos (Ancash), Javier Julián Espinoza Leando, states: “if my district fails, this affects the other district and vice versa.”

Variable 3: Democratization of relations between those who govern and those who are governed

(a) Perception of equality

One of the key problems has been the paternalistic outlook of authorities in rural areas. Creating an awareness of equality between those who govern and those who are governed is a crucial supporting element in the consolidation of a democratic political community.

First The population’s perception on the change (or lack thereof) in the treatment they receive from the municipality.

We have only found this new horizontal relationship in the case of Julcamarca, with Mayor Juan Carlos Saldaña Pineda. The residents of the district are in constant contact with this authority, expressing to him both their satisfaction and dissatisfaction. The mayor acknowledges that this type of relationship and trust has only been possible through the prior contact established with communities when he was a member (president) of the Unión Villa Julcamarca MEMVR and conducted regular meetings and joint actions with the residents.

This was not found in the other cases.

Second Awareness on the part of local authorities about the need to provide accountability to those whom they govern. We have found several cases:

- In the district of Huayllay Grande, none of the previous municipal governments had ever presented a session in which they provided accountability. However, the current mayor, Máximo Yancari, plans to hold several such sessions during his period in office. In order for residents to attend and learn about the management of the municipality’s resources, especially now with decentralization, the municipality has requested the advice of the Angaraes IVP, in order to hold the most successful session possible.

23 This case also reflects how IVPs become institutions that contribute to institutional strengthening, thus improving municipal management. There is a relationship with the second variable.
- In Quinua–Ayacucho, Mayor Otilia Martha Chávez and deputy mayor Edwin Ruiz are planning to hold a bilingual (Spanish and Quechua) municipal accountability session at the end of May. They have also requested technical support and training for this purpose from the provincial government and the Huamanga Zone Unit, because they do not know how to carry this out.

- Yungay. Provincial municipality. Accountability sessions will be held every three months. The mayor believes this is the only way to keep the population informed about the municipality’s economic spending. This report will be presented on the provincial television channel and the program will be broadcast three times.

(b) Contractual and foreseeable relationships.

Ensuring that the MEMVRs remain as stable organizations within the local sphere assumes that local governments will carry out transparent processes that do not favor individual interests, thus reducing their level of discretionary authority for contracting and conducting works.

**First** Reduction in the administration’s discretionary authority at the time of conducting road and other works.

In general, in all field visits we found that agreed upon road plans have been met and that mayors who want to introduce changes expect to do so within the same sphere of agreement (the IVP).

The reduction in mayors’ discretionary authority is a very important outcome because it avoids the political use (patronage, seeking of personal ties) of such important works for the population as roads. In some cases, the experience of mutually agreed upon planning goes beyond the road plan and incorporates other projects.

*Case of Sauce: investment decisions undergo a process of agreement.* Previous mayors agreed on plans without taking into account the municipality’s real budget, promising works basically as part of their re-election campaigns. The current mayor, Sebastián Calderón Bacón, has proposed to make the new district development plan one that is mutually agreed upon, with clear budgets, so that it can be adjusted to reality and people can clearly know how far public spending can go.
Second Stability of MEMVRs following PCR’s transfer to local governments and IVP. The predictability of the authority’s behavior should bring about a certain stability in microenterprises through transparent bidding processes that value experience. In this regard, we found three types of situations:

1. As we were informed, prior to the transfer of PCR to municipalities there was a high level of instability in the microenterprises; in fact, since the program itself classified the sectors of the population that would form the MEMVRs, it was enough to meet the standards (gender quota, for example) and have correct records on road section maintenance, confirmed by monitors, to win the next bid. It is worth noting that, although there was stability, it was a stability that was hard-won: noncompliance or dissatisfaction of the population with the status of the road led to the MEMVRs’ liquidation and its change.

2. The transfer process and the opening of the program to the possibility of open bidding processes with the participation not only of microenterprises formed by members of communities near the road section, creates uncertainty:

- The microenterprise Sol Naciente of Vinchos (Ayacucho) expresses its concern regarding the new bidding system for their road section, because the authorities are considering the removal of the prior experience criterion in the evaluation, thus offering new companies the chance to win. This is seen as a disadvantage by Sol Naciente members, because they have nine years of experience in the MEMVR and have no sort of complaint or problem with the community and the authority.

- Other MEMVRs such as Las Viñas of Cumbaza, Moyopampa, are very worried about the experience of Lamas (see the next section) where none of the old microenterprises won. However, they all maintained their section of the road very well, had good relations with the communities, met regularly, and had a good deal of experience, especially those from the first stage. Not knowing how the new bidding process will work makes them look negatively at the creation of new microenterprises because they will be unpredictable competition.
- Los Chancas MEMVR (Lamas) has an eight-month contract but members fear that afterwards they will not be able to win the bid again, “that they will be removed.” This is the only older microenterprise that has remained.

3. The transfer process generates the risk that bidding will be used for political purposes, because the mayors’ constitutional autonomy allows them to change the terms of reference prior to the transfer in order to favor sectors with ties to the mayor.

The risk was noted in the province of Lamas where the municipality changed the terms of reference for the bidding without consulting with the Zone Unit (the sole presence of PCR–MTC after the program was transferred). As a result, eight of the nine microenterprises have changed; the new ones were formed only a month ago, are not aware of the existence of the IVP or the Zone Unit, have no tools, and do not know the work routines.

Residents of the road section have been complaining for a month; residents and leaders of Shanao, near San Antonio, informed us that the road section is being neglected, and that many of the local dynamics and activities in which MEMVR members used to participate are no longer be carried out: “(...) now they are strangers and we don’t know who they are (...)”.

It is not clearly known what the classification criteria were for this bidding process. The various district and community authorities are asking for explanations on this matter. The San Martín Zone Unit only knew about one future call for bids that the municipality of Lamas was going to conduct for the maintenance of its road sections, but no further information was given, which is unusual. “With the transfer, this program has become politicized (...).”

Variable 4: Strengthening of civil society.

This is one of the variables in which the program finds many positive impacts.

(a) Community strengthening

The community was for a long time a factor in the strengthening of rural areas and in collective decision making. However, many state and private programs created parallel authorities that gradually undermined the community’s institutional structure. PCR has introduced a new organization, the MEMVRs, whose formation was the subject of a series of community
meetings, which have not one but several reference communities and do not compete with community legitimacy.

**First**  
Formation of MEMVR and relationship with the community

In all cases visited, with the exception of the Succha Huayán de La Merced\(^{24}\) MEMVR (Aija, Ancash), the formation of MEMVRs has followed a process that takes into consideration their organizational and institutional arrangements. In other words, they have hired an external consultant who approaches the communities and hamlets, inviting all those who are interested. Thus, the community understands and feels it is part of the MEMVR’s creation. Some members of the Ancash MEMVR also state that they were elected at their meeting as representatives of their community to join the MEMVR.

The forecast for new open biddings after the program is transferred (with transparent terms of reference), or rather the elimination of the small monopoly of MEMVRs promoted by PCR in close coordination with the communities, places this close relationship at risk and opens up the possibility for private construction companies from outside the zone to enter.

**Second**  
Community participation in the prioritization of district lists for the provincial road plan. Initial participation is observed in most cases. Communities continue to be incorporated in updating the road inventory, in what might be considered elements of ethno-mapping, which would indicate that, in the case of PCR, public works are not external or decided vertically without the population’s knowledge:

- In Vinchos, the population in the districts visited identifies new road sections. These are communicated to the district mayor who incorporates them into his road inventory. This updating is also communicated to the Huamanga IVP (or to the Huamanga Zone Unit), so that when a mutually agreed upon road plan is made, roads of vital importance for connecting districts are not overlooked.

\(^{24}\) In fact, this MEMVR was created with PCR requirements, but it has increased the number of sections under maintenance and has created a sort of branch that is in charge of the La Merced section. This “branch” is the one that has not followed initial formation procedures.
The population of Julcamarca is organized in order to present to the municipality its requests regarding the roads and sections to be maintained by the program. Although a mutually approved road plan has not yet been carried out, the Unión Villa Julcamarca MEMVR kept in contact with the local government, visiting the requested section to determine the relevance of requests and communicating them to the Huancavelica Zone Unit, thereby updating its road inventory. The new administration expects to be able to maintain this dynamic, because the roads tend to benefit several districts.

In San Martín, in the district of Sauce, microentrepreneurs—members of the community and several local leaders—indicate that it is they who guide the engineers in charge of making the road plan. The president of the Paz y Fuerza MEMVR, Pinchi García, told us, “we are the ones who do the road inventory,” showing how highly he feels their participation is valued.

(b) Consolidation of MEMVRs as local actors.

The existence of the MEMVRs helps to intensify the local institutional fabric, with solid organizations that have received intensive training.

First Participation of MEMVRs in spaces for local participation such as the participatory budget or Local Consensus-Building Councils.

In Yungay, Ancash, all MEMVRs have seen the importance of participating in local consensus building. They need for road section under maintenance to be prioritized in the budget and this requires them to be prepared for these events. Besides participating in their districts’ participatory budgets, several MEMVRs also participate in the provincial CCL and thus in the provincial participatory budget. The only exceptions were the Huandoy and Queushu MEMVRs which did not participate last year, but indicated that they will take part in the participatory budget.

In Ayacucho, the mayor of the district of Julcamarca is taking steps so that the MEMVR can be part of the CCL, because he believes it is important for the MEMVR to attend as a civil society actor.
- The Moyopampa MEMVR (San Martín) has been a member of the CCL for two years. As an MEMVR, it prepares a project for discussion and whenever possible holds meetings to which it invites the population, in order to hear suggestions and channel them to the consensus-building agency.

Second The communities have a positive appreciation of the formation of this new actor. The situation that we have found is ambiguous. MEMVRs are the subject of envy in areas of greater poverty (their members receive a stable but low remuneration, thereby creating a factor of differentiation) and there is pressure for them to take turns so that community members can also have the chance to participate (which is difficult to accept—see next section). Thus, although many value the work that they perform (the communities in Huayllay Grande and Huayllay Chico in Angaraes were very explicit, highlighting the major difficulties of the road section and the good work performed), they do not necessarily express completely favorable opinions. What is noted is an appreciation for the type of organization (although not necessarily the existing one), its formation, and the fact that it is controlled by monitors or the IVP. Having a well-maintained road is what matters.

(c) Building a democratic relationship between MEMVRs and communities.

Since both are local development actors, the building of a democratic public space will be strengthened or weakened, depending on how they interact.

First Levels of community cooperation with the maintenance of rural roads.

Communities do not always collaborate on routine maintenance because they feel that the MEMVRs receive a payment for this. But there are some cases of support in exceptional situations (landslides, heavy rains) and especially in cases where the population takes care of the road to facilitate the work of the MEMVR. This contrasts with the lack of care often given to public spaces and works.

- Members of the María Josefa MEMVR (Yungay) feel that the population does help them in their work, because they take care of the roads, do not throw trash on them, and keep their
irrigation canals in good condition to avoid causing floods on the roads, which are what most affect the work that microentrepreneurs must conduct.

- The same thing occurs in the provinces of Picota and San Martín: the way to receive support from their communities is through proper use of the road, avoiding mistreatment.

- When climate or natural disasters do not allow vehicular traffic on the road for which the Unión Villa Julcamarca MEMVR is responsible, the population becomes organized and helps the microenterprise by contributing labor. In February, when these events occur with greater intensity, a community kitchen is also organized.

- The communities that use the road section overseen by the Alto Cumbaza MEMVR contribute their labor when the road becomes impassable during the rainy season. “It’s also a way of paying them back (…); they—the MEMVR—always supports our community.”

- The communities that benefit from the road section overseen by Los Chancas MEMVR (in Lamas) whenever possible help to maintain the road, especially during times of severe weather. The road has many curves, and the entire population needs this route to travel directly to the highway. They are aware of this situation and have formed committees that support the maintenance of their section of road.

- A special case is one that we found in Las Viñas del Alto Cumbaza MEMVR where truckers who use this section of the road assist the microentrepreneurs. When truckers identify a section of the route that is in poor condition, they inform the microentrepreneurs and even take them for free to the damaged portions so that proper maintenance can be performed. When there is an emergency, the truckers also help the microentrepreneurs.

**Second** Levels of MEMVR participation in other community activities. The MEMVRs develop “envy control” strategies, seeking to join in community activities and conducting activities that benefit the communities.

- San Martín and Picota. The MEMVRs that we visited indicated that they have an internal policy of dedicating **one day of free work** for the communities. Thus, members make a schedule of activities that mixes individual aid to municipalities when the latter request it or direct aid to the
communities and hamlets located in the zone of the road that is under maintenance. The MEMVRs carry out such work as improvement or construction of schools and health centers, irrigation infrastructure, etc. The case of the Paz y Fuerza MEMVR is noteworthy: although it lacked the support of the previous district government (which was not willing to carry out cofinancing and was replaced in this road section by the provincial government, thereby keeping the MEMVR’s work in the zone), it always conducted the monthly work on behalf of the community and often at the request of the district mayor. This work is acknowledged by the population.

- Yungay. The MEMVRs of this province have different ways of becoming involved with the population, but the most common one is attending the festivals or “polladas” that community residents organize to raise funds. They have also been assigned the responsibility of organizing local festivals (including soccer tournaments and local bands), which is something that they are proud to do; they have invited the zone’s other microentrepreneurs to join the activities.

Members indicate that, due to their work, they often cannot participate as community members in community efforts. In those cases, so that they are not viewed as being distant, they try to collect money among themselves to purchase at least one bag of cement which they donate to help carry out the work.

- The various construction works that are carried out in beneficiary communities include the labor of MEMVR members, as observed in visits to Angaraes and Huamanga. Classrooms, expansion of community sites, and local municipal repairs are overseen by the microentrepreneurs (MEMVRs: Los Chancas, Las Viñas de Alto Cumbaza, Moyopampa, Unión Villa Julcamarca). One exception is the Partenón MEMVR: because it was only recently formed, it is not supporting community works.

- The Moyabamba MEMVR has a special fund dedicated to carrying out a broad range of activities within the beneficiary communities, such as tournaments, polladas, helping community organizations, financing some sort of work, or paying for the funeral of a community member.

- The Unión Villa Julcamarca MEMVR, whenever it knows or hears about someone in the beneficiary communities who is experiencing economic difficulties, offers to rotate jobs in the
microenterprise or help the person by taking up a collection among members to give the person a little money.

It should be noted that the communities often expect the MEMVRs to provide “shifts for rotation” so that all their members can take turns participating and receive remuneration. This community demand tends not to be acceptable, because maintenance work requires training. Most MEMVRs offer “turns” for exceptional cases (abandoned mothers, extremely poor families, family emergencies). This gap is the key source of disagreement between the communities and the MEMVRs.

(d) Strengthening of initiatives for local development:

The Local Development Window (VDL) component would allow members of MEMVRs and of beneficiary communities to develop new development initiatives, promoting improvements to roads and a vision of the environmental and economic development potential.

First Development of management skills. In VDLs we have found a high incidence of the development of management skills among the population.

- The Pamashto (Lamas) VDL began with coffee production. Then, with the support of the NGO Caritas and capital contributions (USAID and others), producers allied themselves with the Exportaciones Amazonicas company, assuring the marketing of this product. Agriculture began to be profitable and in 2004 a commercial crop diversification process began (musk and sacha inchí). This has motivated many of the zone’s producers to participate in this VDL, since “they see and believe that they can succeed by being united” (president of the Cristo Rey cooperative).

Three hundred producers are now participating in this program. Possibilities for entering the market have expanded through new customers who are paying more for each harvest. The producers who were initially organized as a nonprofit civil association have since formed the Cristo Rey Cooperative (greater level of institutional structure and business development), and now have their own resources, to the point that there is a committee that provides credit to its members. They have developed ties with other cooperatives (located in Satipo) that also produce coffee; these cooperatives help one another, share experiences, etc.
The skills generated transcend the scope of the VDL. Residents of the zone are interested in developing complementary projects (such as ecotourism) in coordination with the cooperative.

- The association of small-scale fishermen (APESA) in the district of Sauce (San Martín) benefiting from the VDL, has fully trained all its members in the reproduction and management of minnows. They have obtained a new fund for the implementation of a laboratory that will soon begin operating, and they are expecting to obtain a fishing license in order to be able to invest in nearby lands to implement new minnow ponds. They have been able to reproduce over one million tilapias in the “Laguna Azul,” benefiting a very poor population which can now subsist by fishing. However, their problem is that they cannot commercially exploit their investment because the Ministry of Production does not recognize them and does not authorize them to conduct commercial aquaculture activities. Instead, the Ministry itself is commercially exploiting the tilapias raised by the microenterprise.

Although the VDLs develop strong management and innovation skills in the population, they still lack the strength to affect other sectors of the state.

Second Level of dependence/independence of beneficiary communities and MEMVRs from the NGO in charge of VDL, in terms of the identification of potential for local investment.

- Although the Cristo Rey Cooperative had had a significant debt with the NGO Caritas for carrying out the project, now, with the profits it has earned, it has been able to fully pay back this debt. It operates with its own resources and considers itself sufficiently able to continue this achievement started by the Pamashto VDL. Business management skills have allowed it to renegotiate the price of each ton, obtain its own brand, have a tasting center, and obtain support from other parties. The role of Caritas has changed from that of a manager and promoter of the project to that of an adviser/consultant to the cooperative. In September, the project will be in the hands of the cooperative, and members feel they are ready to assume this change.

- The creation of the beneficiary enterprise in Juan Guerra, whose members are six associations of rice producers, has taken a year and a half. Interviewees indicate that they have been trained in rice production issues but have not yet received any training in management or administration, and it is thus estimated that the process of transferring the mill will take at least two years. For the time being, Caritas is directly administering the enterprise.
It is important to note that this VDL is not connected with the work that Provias is undertaking, because it has developed in a zone where no roads are being maintained and therefore there is also not a MEMVR.

- The level of training among members of the Sauce VDL fishermen’s association is very good, not only in the productive aspects of their project but also in the maintenance of their organization and its operation. They were clear about their needs and what is required to meet these needs. Their level of independence is high.

It is worth mentioning that it is not always clear to the population, not even to the population directly linked to the VDL (except in the case of Sauce), that this is a program promoted by the MTC and it is not even a new State service. In general VDLs appear to be a Caritas activity with USAID financing.

Although our study only sought in VDLs the development of local management skills, some MEMVR informed us that, from their experience in their microenterprises, they are carrying out other economic activities.

**Variable 5: Expansion of opportunities to exercise citizenship**

In order to evaluate PCR’s most profound effects on democracy and citizenship, it is necessary to know how each resident of the beneficiary areas is improving his or her conditions for the sovereign exercise of citizenship, and the ability to exercise it, thus expanding his or her measure of power on the local map.

**First** Greater local participation: One way to know whether those who are governed and those who govern have a democratic relationship is the existence of spaces for participation in citizenship and the weight of decisions made in these spaces during an elected official’s period in office.

In all the cases studied, we have found a willingness by district and provincial mayors to carry out public invitations to civil society to participate in the participatory budget and elect representatives for the CCL.

In addition, we have found in several districts the willingness of local authorities to break one of the obstacles to participation: language. In high Andes zones, the use of Quechua as the principal
language continues to be prevalent, especially among women. The act of conducting participatory budget meetings in Spanish was an immediate denial of their rights.

**Second** Awareness of the rights to be informed and to demand accountability from authorities and public servants.

In the population interviewed, we did not find significantly high levels of information on municipal management or on the actions of IVPs. There was also no evidence of an understanding of rights to request information or demand accountability.

The situation is different among members of the MEMVRs who have good information on the activities of their local governments. It seems that the ties most have developed, especially in provinces of the Selva, through supporting works for the general population promoted by the local government, serve to keep them informed about municipal efforts. Moreover, by taking part in the participatory budget, they are kept informed on the works that will be carried out and those that are needed, in accordance with the prioritization that was conducted.

**Third** Gender equity: a determining factor for the individual exercise of citizenship is nondiscrimination for reasons of gender. Traditionally, women, particularly in the rural setting, were limited to taking care of the private sphere while men took care of public issues. Advancing toward gender equity (empowerment) becomes a goal to be achieved so that rural women can make use, each in an individual manner, of their citizenship rights.

1. In all Zone Units and IVPs with greater seniority, it was observed that staff have received training in gender equity and are interested in promoting it. The MEMVRs also stated that they had received training.

2. Although it is true that to create the MEMVRs a requirement was the incorporation of a minimum quota of women, over time, and as we have observed in field work, few women are members of the MEMVRs. In many cases, they withdraw because:

   - they are ashamed to work with so many men;
   - they save for and invest in other activities;
- due to the income reduction agreed to by PCR, it has been necessary to reduce staff; those who leave are women.

Those who remain in the MEMVRs have a very high level of self-affirmation and self-esteem.

3. Some MEMVRs offer opportunities for rotation, especially for positions to be held by women in the communities which have serious economic difficulties.

- The MEMVRs of Unión Villa Julcamarca (Angaraes), Los Chancas (Lamas), and Moyopampa (San Martín) always have 1 or 2 positions for the rotation of women who need it, especially single mothers.

4. The VDLs offer the clearest opportunity for gender equity. In all beneficiary organizations, there are women; in many cases (such as Sauce, which won Peru’s national prize for gender equity), they hold management positions with a high degree of responsibility. In these activities, prejudice about women’s abilities to take on highly physical activities, such as in road maintenance, is less prevalent.

5. In indigenous areas (the IVPs of the Sierra that we visited), the fact that women speak only Quechua tends to be a limiting factor, because sessions on activity planning or road inventories, or meetings with the program’s “visitors,” are held in Spanish. Therefore, female representatives tend not to be elected.

6. With regard to the idea that the promotion of women leaders is expressed by a better placement of women, via gender equity measures, on rosters of councilors for municipal elections, we found nothing significant. An initial look at information on women elected as provincial or district councilwomen in 35 provinces with IVPs showed very similar data to national proportions:

**Table 2-11** Percentage of women elected as provincial or district councilwomen. 2006 Elections

<table>
<thead>
<tr>
<th></th>
<th>National Total</th>
<th>35 provinces with IVP</th>
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<tr>
<td>Provincial councilwomen</td>
<td>24.71%</td>
<td>24.8%</td>
</tr>
<tr>
<td>District councilwomen</td>
<td>26.85%</td>
<td>27.8%</td>
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Source: Councilwomen elected by districts and provinces; information kindly provided by Dr. Diana Miroslavich, director of the Political Participation of Women program of the NGO Flora Tristán. Our own preparation.
3. CONCLUSIONS:

EVALUATION OF PCR’S IMPACT ON DEMOCRACY AND CITIZENSHIP IN THE RURAL SETTING

1. PCR has positioned itself at the forefront of Peru’s decentralization process because it has not only transferred functions and resources, but has produced an ad hoc institutional framework, the IVP, which makes it possible to maintain the provincial level of planning and the necessary consensus building between provincial and district levels of government for the planning, management, and maintenance of road infrastructure. Unlike other transfer processes such as the Community Kitchens Program, it does not require provincial-scale reproduction of the national management structure, thus avoiding the generation of scale inefficiencies.

2. By prioritizing its work in very poor rural zones, the Rural Roads Program is implemented in zones of conflict with relatively weak levels of institutional consolidation. 55.6% of the districts where it has been implemented have low or very low levels of human development. Many of them have also been located in regions with a high incidence (departments of Ayacucho, Apurímac, Huancavelica, Junín, and Huánuco) or a medium incidence (Cusco, Puno) of the armed internal conflict, with greater difficulties in processes of democratic participation (some districts did not hold municipal elections in 1983, 1986, and 1989 because they were under a state of emergency and political-military control); these areas experienced greater deterioration in their traditional social organizations.

Clearly positive aspects

3. In these zones, due to their specific activity (construction/rehabilitation and maintenance of rural roads) as well as the institutional arrangements designed and in operation for nearly 10 years, PCR has fed (promoted, facilitated, improved, strengthened) the process of democratic inclusion.
4. It facilitates voting participation among citizens in rural villages. In the districts where PCR operates, differences in voter participation between rural and urban areas have been nearly eliminated. Of particular note is the increase in women’s participation in electoral processes.

5. It improves participatory budget processes. The organized population has developed greater planning and prioritization skills, and in particular, local authorities are better preparing these processes: IVP technical staff help to develop projects and technical data sheets and contribute methodologies for budget prioritization, mayors organize processes from the grassroots level, also in the native language, and train the population to organize and articulate the high demand for roads of communication for their people.

6. It significantly strengthens the technical skills of local, highly rural governments, promotes a (broad) provincial view of local development planning, and encourages consensus building among mayors and commitments to larger-scale projects, avoiding the dispersion (even the pulverization) of municipal budgets.

7. It helps control discretionary authority and the political use of works, introducing contractual practices in the municipality’s relations with popular organizations, standards of respect for the outcomes of consensus-building processes, and predictability in the selection of beneficiaries.

8. Evidences of practices of indigenous populations’ inclusion are seen associated with the need of mayors who have been incorporated in the program to prioritize the demand for roads from the basis (and not only through representatives). This positive impact is especially noted in regions with a high concentration of indigenous populations of the Sierra. We are not aware of policies for the inclusion of original peoples of the Selva.

9. PCR also shows positive impacts on the development and expansion of civil society in rural areas. This is shown in the respect for and inclusion of communities in processes to identify needs, especially because it defines itself as a program that is not guided by the possibly disorderly demands of the population but by participatory, mutually agreed upon, and predictable planning processes.

10. In the same regard, positive impacts are generated by the operational model for road maintenance through microenterprises formed by residents of beneficiary communities. These microenterprises are compelled by, and respond positively to, the need to establish good relations with the communities. In an autonomous manner (as noted in the diversity of
responses), they establish practices to allocate free labor and support funds, and organize festivities for their communities. The social responsibility of these microenterprises is high and they conduct it creatively, generating positive social environments, both by themselves and by the population towards the care for the public service under their responsibility.

11. Impacts on local societies include the development of strong management skills achieved by beneficiaries of the specific component known as the Local Development Window, becoming a reference for other enterprising sectors of the rural population. The strong participation of women is noteworthy, including management positions in VDL projects. However, the VDL component’s restriction to a handful of IVPs (concentrated in the Selva) keeps them from being more conclusive.

Neutral aspects

12. The exploratory study conducted shows no recognizable effect that PCR has had on other key elements of democracy and citizenship in rural areas.

13. The program lacks the strength to affect larger institutional settings such as the local staff of other agencies subordinate to the central state government or the dynamics of local political organizations; situations of conflict and state practices that exclude people, are paternalistic, or are discriminatory, persist.

14. It also shows no recognizable impacts on the political culture. There does not appear to be a greater awareness of individual rights such as demanding accountability from authorities or being informed. The question of the state’s public nature or the building of respectful, horizontal relationships between elected officials and the population is not among the achievements.

15. Higher-level institutional settings and political culture would both require a greater period of time as well as changes in the environment, particularly in the way that other public sectors (political parties and the state) function.

Risks

16. Decentralization processes are ambiguous. They contain progressive elements in terms of bringing public decisions to local communities, but they also face risks. PCR is the most
responsible program in the process of decentralization because it not only transfers skills and resources but also creates the institutional conditions for their proper administration. In addition, this addresses the risks associated with a situation where multiple agents are making autonomous decisions.

17. With regard to the decentralization process that is underway in the country, PCR has accelerated the creation of IVPs to conduct transfers to local governments. However, the considerable expansion of coverage is unable to maintain the intensity of advisory activities, selection and training of the first IVPs, both of technical staff and mayors.

18. The creation of new IVPs and the start of the program’s transfer have coincided with municipal elections and the change in local authorities. Consequently, most mayors and high-level staff who had received training are no longer there and, in the national context of weak local political organizations with little institutional structure, there is no way to preserve the progress of the previous administration. New mayors with little knowledge of the program exchange staff trained by the MTC, for less-trained staff who may be politically obligated or have personal loyalties.

19. Also associated with the process of transfer to local governments is the loss of the program’s capacity to control respect for the institutional arrangements that control the discretionary authority of officials in the selection of MEMVRs and in some rules such as the gender component. We observed one case (which may not be representative but is illustrative) of the near-dismantling of MEMVRs that had had several years of experience and high yields, a few months after a new provincial mayor decided to arbitrarily alter terms of references for bids to select the MEMVR.

20. In general, the transfer implies a change in consequences that cannot be predicted regarding how to assign responsibility for the maintenance of road sections. The strong investment made by PCR in encouraging the community, selecting persons in the community who live in greater poverty, training them to form microenterprises, and including a gender quota in these microenterprises, places it at risk. This is because municipalities, even with the best intentions of maintaining ties with communities and their microenterprises, are obliged to conduct open bidding process in which both companies from other zones can compete or urban initiatives that end up reconverting the population from being entrepreneurs to being wage earners.
21. The investment made in promoting gender equity conditions remains uncertain. Although women remain in many MEMVRs, in others they have tended to desert (or have been excluded), which may indicate that good equity practices have still not been internalized and efforts need to be continued in this regard.

22. Although progress is observed in the inclusion of the monolingual Quechua-speaking population (mostly women) by local authorities, government personnel, including those of PCR, have not made the same efforts, thus limiting processes of empowerment.
4. RECOMMENDATIONS

1. Because PCR is at the forefront of the decentralization process, it is necessary to ensure that the significant impacts it achieves in terms of strengthening the public management capacities of local governments and those of democratic social management in their societies do not become diluted during each periodic change in local authorities. The program needs to have a decentralized presence throughout the country so that, after transferring the roles of planning and execution, new roles can be defined for promotion and supervision. As the central government continues making direct transfers of resources to municipalities in order to finance a portion of maintenance activities, it is possible to design supervision efforts so that these funds are in fact used properly, while ensuring minimum standards for institutional arrangements and the development of practices that have given rise to positive impacts on democracy and citizenship in rural areas.

1.1. Maintaining the level of departmental action. PCR has done well in identifying the province as the unit of planning and execution of the PCR, transferring responsibilities and necessary resources to the IVPs. However, the sphere related to coordination and the new functions of supervision and promotion, which make it possible to plan actions, efficiently enhance monitoring activities, and promote meetings and exchanges, should be the departmental sphere defined by Zone Units. The maintenance of decentralized offices at the departmental level could be facilitated by the fact that the MTC, due to its efforts to maintain national highways, needs to continue with a level of decentralized presence throughout the country.

1.2. A supervisory role in this new, decentralized stage of the PCR requires the updating of the current practice, which is left to one side when IVPs are created: this role consists of monitoring by means of a minimum team of personnel which is characterized by not being permanent, thereby maintaining autonomy and neutrality, as well as defining the minimum standards with which the IVPs should comply in order to continue receiving resources from the central government. These standards could be the subject of specific agreements among
PCR, the Ministry of Economy and Finance (MEF, for its Spanish acronym), and the IVPs. These standards will seek to ensure:

i That the selection of IVP technical staff is conducted through a public merit-based competition, possibly with supervision by the Zone Unit. In the case of small provinces, with few road sections and/or scarce budget resources, these standards should include the association of several IVPs for the hiring of highly qualified technical personnel who provide service to all.

ii The maintenance of participatory mechanisms and consensus-building practices for the preparation and/or updating of mutually agreed upon road plans and their mandatory compliance.

iii The maintenance, transparency, and predictability of terms of references for bids on the adjudication of routine road maintenance. The terms of reference should at least have the following criteria:

- Gender equity: establishment of a minimum quota for women in the MEMVRs. If women withdraw from the MEMVRs, they should be attempted to replace theirselves with other women so as to maintain the original proportion.

- Presence of members of communities benefiting from maintenance as members of the MEMVRs.

- Experience in road maintenance: The criterion will make it possible to give priority to MEMVRs that have been created and trained by PCR, avoiding the formation of phantom microenterprises or ones tied to personal loyalties to local authorities.

- Good operation: The MEMVRs that are working on maintenance should also have the IVP’s own evaluation, with positive reports on their compliance, prepared by Zone Unit monitors.

- Positive relationship with communities near the route: This criterion incorporates the voice of users in favor of or against those who are in charge of maintaining their public assets. Communities could be requested to provide minutes from collective evaluation meetings (not individual letters from leaders) regarding MEMVR’s operation.
1.3. The role of promotion that could be played by Zone Units or decentralized offices of PCR would have the following purposes:

i. Continuing with the development of management skills and the acceptance of maintenance routines and practices by communities in zones where new maintenance sections are opened. This would mean that even in zones where IVPs exist, the Zone Unit’s role as promoter is required in order to maintain the institutional arrangements considered in the operational manual to encourage the creation of the MEMVRs, such as: hiring an outside consultant, providing information to communities on PCR and maintenance, soliciting community participation in the selection of members, etc.

ii. Training and advisory services to new elected authorities on best practices, learning, and program routines.

iii. Facilitating locations for department-level meetings of IVP technical staff so that they can develop the practices of sharing good experiences, and of analyzing their efforts in road management and in the strengthening of local governments’ technical skills.

2. **PRC needs to have a system for data collection, learning, and dissemination of good practices.**

2.1. An annual survey of microenterprises may be conducted to collect information on:

i. Level of local participation: participatory budget and CCL (provide follow-up to the issue of local involvement of MEMVRs).

ii. Relationship strategies and practices of social responsibility in communities benefiting from their services.

iii. Record of leadership, in terms of indicating whether any of their members have been elected to positions of local or community representation.

iv. Economic initiatives of microenterprises beyond that of road maintenance (whether or not part of the VDL component).

2.2. The system of learning and dissemination of good practices will be conducted by systematizing the information collected and transferring it: first to the IVPs; second to district
and provincial mayors in order to make evident the positive effects of building a legitimacy
that is democratic and respectful of gender equity; third, it is worthwhile to disseminate
learning on democracy and citizenship in order to show the positive impacts of PCR’s
institutional arrangements.

3. The study of the few projects under the Local Development Window component would
suggest expanding their degree of application and reformulating their relationship with the
local counterpart.

3.1. It seems worthwhile to recommend informing all IVPs about the existence of this component
and of the possibilities it opens to enhance the impact of rehabilitated roads on local
development. This dissemination, much broader than the current one, would make the VDL
yet another element of PCR’s transparency, instead of being a strategy whose focus is
prepared in Lima by the central team.

3.2. We also recommend the diversification of development organizations in charge of conducting
VDL projects, taking into account the development institutions existing in the regions.

3.3. Make the VDL be seen as a Peruvian government program, not merely an NGO activity.

3.4. Ensure women’s participation from the time that development alternatives for the community
are prepared, in order to maintain the successful gender equity in most of this component’s
beneficiary organizations.

4. PCR requires special attention to strategies that ensure the inclusion of traditionally
excluded populations.

4.1. Gender equity requires ongoing efforts over time regarding strategies that promote the
participation and empowerment of women. Together with offering local governments training
programs on gender equity policies and strategies for IVP personnel, it is recommended that
the inclusion of women in the MEMVRs be evaluated periodically, so that microenterprises
with a lower proportion than that required by PCR for their creation, due to abandonment by
or exclusion of women, can recover the initial required proportion.

4.2. Insist on the incorporation of women from the time of initial planning and preparation of road
inventories, so that specific gender needs can become prioritization criteria.
4.3. The use of the native language should be guaranteed in PCR’s planning, decision-making, and training meetings in zones where it is in daily use, so that indigenous populations, and especially women, frequently less skilled in speaking Spanish, are not excluded. This implies at least having trained translators; the departmental level makes it possible to save costs in this regard. It is important to highlight the fact that the communities tend to delegate representation duties to those who have a higher level of education and express themselves better in Spanish; this in turn reproduces strong exclusions at the time of transferring capacities or including the population in processes of consensus building, participatory diagnostics, etc. The exclusive use of Spanish by staff or by consultants or trainers helps to reproduce hierarchies that the population sees clearly as excluding them, combined with low levels of self-esteem, and lack of appreciation for cultural traditions.

5. **The effort spent on designing a decentralized program through the creation of an institutional framework suited to the decentralization process, such as the IVP, which is both a model for mutual consensus building among mayors and a space for the development of technical, professional planning and management skills, could be enhanced if these IVPs become institutes in charge of road infrastructure as well as general public infrastructure in the provinces.** Thus, the planning and execution strategies, as well as the design of microenterprises for routine maintenance (the systematic weakness of the state service infrastructure), which are a net contribution of PCR, could be replicated in other types of services in the process of decentralization, such as educational, health, water and sanitation, electrification infrastructure, etc.

Besides reproducing the good practices associated with these “PCR products” (IVP and MEMVR) and their effects on democracy and citizenship, it could at the same time help to reduce municipalities’ planning, management, and execution costs and ensure that high professional levels are available to local governments. It would also permit greater controls in cases of attempts by provincial mayors to make private or political use of state resources: a strong, highly visible provincial infrastructure institution whose reference point is the set of all mayors in a province, could have sufficient weight to introduce a state approach and offset the variability associated with government changes.

This clearly does not depend on PCR or the MTC; it depends on the strategies of decentralization, the transfer of responsibilities of different government sectors and, finally,
on local governments which are constitutionally autonomous. But the MTC’s top management could promote the model in the Council of Ministers, and PCR could do the same with the local governments with which it works. This could make it possible to progress more solidly on the territorial management, i.e., intersectoral, management, which is part of a successful process of decentralization.
## 5. ACRONYMS

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<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>IVP</td>
<td>Institutos Viales Provinciales. Provincial Road Institutes</td>
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<td>CCL</td>
<td>Consejos de Concertación Local. Local Consensus-Building Councils</td>
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<td>PCR</td>
<td>Programa de Caminos Rurales. Rural Roads Program</td>
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<tr>
<td>MEMVR</td>
<td>Microempresas de Mantenimiento Vial Rutinario. Routine road maintenance microenterprises</td>
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<tr>
<td>VDL</td>
<td>Ventana de Desarrollo Local. Local Development Window</td>
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<tr>
<td>MTC</td>
<td>Ministerio de Transportes y Comunicaciones. Ministry of Transport and Communications</td>
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<tr>
<td>MEF</td>
<td>Ministerio de Economía y Finanzas. Ministry of Economy and Finance</td>
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