



Between bureaucracy and local politics: Participatory budgeting in the Peruvian Andes

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In 2004, Peru implemented a citizen participation mechanism called “participatory budgeting”. The government’s objective was to ensure the needs of citizens are considered in decision-making about public investment in their localities. Through this mechanism, community groups participate in prioritizing the sectors and projects to which the local government’s budget will be allocated. In practice, while there are strict central state regulations, participatory budgeting is carried out differently in each jurisdiction. This article seeks to understand how participatory budgeting interacts with local logics of public budget use. The analysis is based on ethnographic data from a rural region in the Peruvian Andes. It sheds light on how municipal authorities reappropriate participatory budgets as a way of formalizing their budgeting processes vis-à-vis the central state, allowing them to secure the continuity of fiscal transfers through compliance with strict public regulations. This article will contribute to the study of traveling models, particularly since it examines a South-South transfer of a policy model in Latin America.

En 2004, le Pérou a mis en œuvre un mécanisme de participation citoyenne appelé « budget participatif ». Son objectif est de garantir que les besoins des citoyens soient inclus dans les décisions relatives aux investissements publics dans leur localité. Ainsi, la société organisée participe à la hiérarchisation des thèmes et des actions auxquels sera alloué le budget géré par les gouvernements locaux. En pratique, le budget participatif est mis en œuvre de manière différente dans chaque juridiction, bien qu’il existe une réglementation stricte de l’État central. Cet article cherche à comprendre comment ce mécanisme entre en interaction avec les logiques locales d’utilisation du budget public. L’analyse se base sur des données ethnographiques provenant d’une région rurale des Andes du Pérou. Elle montre la ré-appropriation des budgets participatifs par les autorités municipales comme un instrument de régularisation devant l’État central afin de s’assurer de la poursuite des transferts monétaires en se conformant aux réglementations publiques strictes. L’article s’appuie sur le concept des « modèles voyageurs », pour examiner la circulation, en Amérique latine, de cet outil de gouvernance locale fondé sur la participation citoyenne.

Keywords : participatory budgeting, local government, Andes, Peru, local politics

Mots-clés : budget participatif, gouvernance locale, Andes, Pérou, pouvoirs locaux

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Introduction

Studies on participatory budgets have focused on evaluating their implementation, mostly from the perspective of economists and political scientists. They have been seen as a neutral device that, if used correctly, should improve public management (Casalino, 2004; Medina and Timaná-Palacios, 2015; Neyra, 2019; Tam, 2008). This article discusses participatory budgeting as a socio-technical device framed as a universal solution to complex, interconnected problems (Venot and Veldwisch, 2017: 8).

Presented as a universal solution, participatory budgeting is enabled by the implementation of technology comprising one or more devices, an operational method, and an organizational structure designed to ensure their efficient use (Venot and Veldwisch, 2017: 15). The solution proposed by participatory budgeting is the effective and efficient use of the public treasury in favor of the population, eliminating clientelism and preventing corruption. The experience has its origin in a Brazilian initiative that became famous worldwide and inspired in Peru the mandatory implementation of participatory budgeting in all subnational governments. In countries as diverse as Peru, in terms of ecology, culture, and social organization, one may ask: how can a standardized decision-making mechanism be applied at the local level?

Analyses of policy implementation, including those by Pressman and Wildavsky (1973) and by Bierschenk and Elwert (1988, eds.), have highlighted the complexities and unintended effects surrounding the enactment of public programs. Olivier de Sardan and Poncelet (2013) identified three effects frequently associated with the implementation of innovations: (1) their selective adoption by intended beneficiaries, (2) the accumulation of overlapping rules and procedures, and (3) the projects' ambivalent relationship with local power structures (2013: 2). This article analyzes participatory budgeting as a socio-technological package that, when appropriated by the intended recipients, changes in usefulness and can achieve goals that were not foreseen by its creators. To this aim, we present the case of a town in the Peruvian Andes, Ocongate. To ensure anonymity, we will only refer to the position of interviewees. The ethnographic work was conducted over ten years, including interviews with three mayors of the district (two of whom held the position at the time of the interview), four leaders of peasant communities,¹ and several municipal officials. It was complemented by a review of official documents regarding participatory budget workshops held between 2012 and 2022.

The first section describes participatory budgeting as conceived by the centralized state, summarizing its origin and expected virtues. Examining participatory budgeting as a type of traveling model allows us to understand how the idea came to Peru and why it was implemented. The second section describes the top-down expansion of bureaucracy based on public finance specialists. The last section presents the case of Ocongate, where

¹ Peasant communities (*comunidades campesinas*) are legally recognized institutions intrinsically linked to collective land ownership and governed by agrarian and property laws. They possess custodial rights over their lands, including jurisdictional powers that vary over time (Diez, 2022: 136).

participatory budgeting serves different purposes, and its results are different from those expected by high-level technocrats.

History of participatory budgeting in Peru

Participatory budgeting has been experimented with in various parts of the world. It circulates as a *traveling model* (Behrends et al., 2014; Olivier de Sardan, 2021), accompanied by a powerful narrative that links democracy with development. A traveling model is defined by Olivier de Sardan (2021) as a standardized, planned, and formal institutional intervention designed for transfer across contexts (2021: 26). We acknowledge that the notion of traveling models encompasses diverse interpretations, and not all are associated with the narrative discussed here.

The origin of participatory budgeting: the experience of Porto Alegre

Participatory budgeting was born in 1988 in the Brazilian city of Porto Alegre as a deliberative democracy experiment driven by left-wing parties (Utzig, 1998). The experience has been viewed as an example of redistributive democracy (De Sousa Santos, 1998), timely citizen participation (Bhatnagar et al., 2003), direct participatory democracy (Corona, 2004), and reconfiguration of local powers (Goldsmith and Vainer, 2007: 348). In short, it is presented as a tool capable of planning investment to reduce poverty and exclusion gaps (Remy et al., 2020: 5).

Porto Alegre's participatory budgeting has historically linked community groups and municipal government in a yearly, staged process that redistributes resources from richer to poorer areas, shifting political power through joint decision-making. As a co-management system, it involves joint decision-making between municipal authorities and diverse community groups. The participatory budgeting process operates on a 24-month cycle. It begins with a draft bill from the executive sent to the legislature for approval, to be carried out the following year. The first year is dedicated to evaluating the previous budget and planning the next, while the second year involves implementation, evaluation, and preparation for the subsequent cycle (Corona, 2004: 14-15).

Public budget elaboration with popular participation in Porto Alegre has inspired similar experiences in Latin America and other parts of the world (Corona, 2004: 10). For instance, Buele Nugra (2021) examines the case of Ecuador, while Bloj (2009) analyzes the experience in Rosario, Argentina. Rodríguez Burgos and Cavazos Guajardo Solís (2021) document participatory budgeting initiatives in Mexico, and Damay (2019) explores the implementation of such practices in the Belgian city of Mons. In a broader comparative perspective, Allegretti (2011) studies hybrid models of participatory budgeting across Asia, Africa, and Latin America. It belongs to a modern democratic paradigm that can be direct, representative, or deliberative, depending on how it is applied.

Deliberative democracy is based on the idea that the quality of political decisions improves as more people are involved in the decision-making process and are given the opportunity to voice their opinions and concerns. Recommendations based on the Porto

Alegre experience by international organizations have elevated it as a panacea for democracy and development.

The implementation in Peru

In 2002, a pilot project was launched in Peru, inspired by the positive impact seen in Porto Alegre.² The Peruvian Parliament discussed three bills to implement participatory budgeting in the country. One of them justified the implementation by referring to the pilot experience:

The development of participatory budgeting in our country proves to be successful, as it highlights the importance and necessity of the government's shared commitment with the population. This mechanism aims to bridge the gap between the State and society by breaking down bureaucratic barriers, promoting a direct relationship between them (Bill No. 5379, January 2003).

Participatory budgeting became law in August 2003. Two basic differences between the experience in Porto Alegre and Peru should be noted. In Brazil, each municipality has its own constitution and financial independence, whereas in Peru, the decentralization process did not start until 2001 and is yet to be fully achieved. Additionally, participatory budgeting in Porto Alegre was a community-regulated structure, separate from the executive (Utzig, 1998: 8); in Peru, the participatory budgeting program is designed and mandated by the central government to be implemented in all municipalities.

The Participatory Budgeting Framework Act outlines a transparent, logical, effective, and efficient approach to managing public resources to foster stronger ties between civil society and the state. This act outlines the actions that municipalities and regional governments are required to implement to ensure their management strategies align with the objectives and goals established in the participatory budgeting plans.³ The act further establishes accountability at each stage of the process, based on a linear model of local policy in which community groups collaborate in setting short- and medium-term goals and objectives.⁴

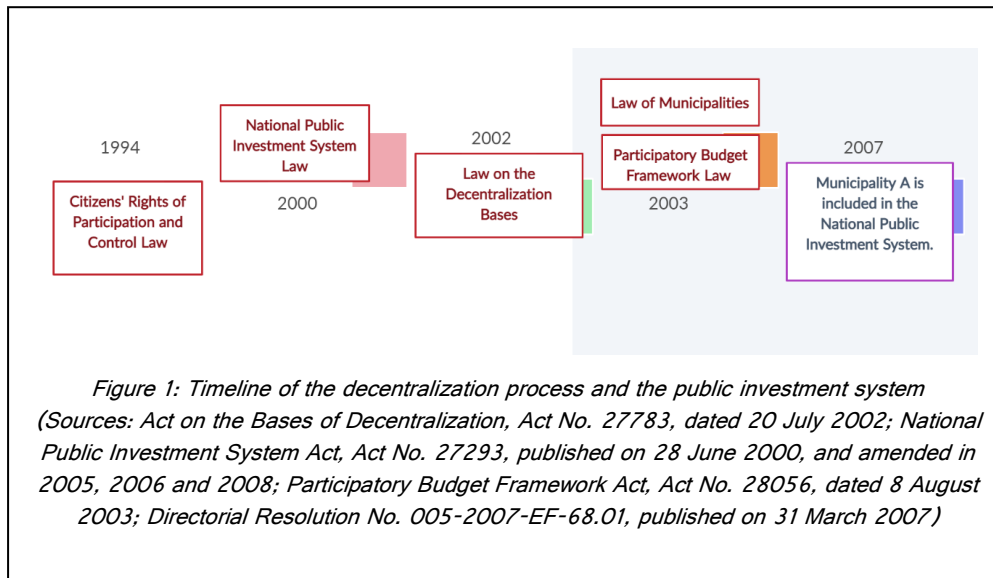
In Peru, the national public budget is drafted annually by the executive branch. As will be addressed later in the article, the executive branch transfers resources to each subnational government, which includes regional, provincial, and district municipalities. The Ministry of Economy and Finance (MEF) sets the rules, instruments, and deadlines to ensure the efficiency of public investment at the local level, dictating how and where the allocated budget can be used.

² The virtues of the Porto Alegre model are described in detail in the *Report on the Pilot Plan* prepared by the Peruvian Congress commission (Casalino, 2004).

³ Participatory Budget Framework Act, Act No. 28056, published in 2003.

⁴ Article XIV of the National Budget System Act (Act No. 28411) states: "The Budget Process must be oriented towards the achievement of results in favor of the population, in a multi-annual perspective, and according to the priorities established in the National, Sectoral and Institutional Strategic Plans and in the Concerted Development Plans."

So far, we have examined the first stage of traveling models: their creation. Next, we will address their testing (Olivier de Sardan, 2021: 28).



From local initiatives to centralized control

In Peru, participatory budgeting initiatives preceded the state's pilot launched in 2003. The cases of Limatambo and Villa El Salvador have been studied by Quedena (2003), Rojas (2006), and Bloj (2009). Limatambo's initiative was led by an organized Quechua community that actively contested the traditional local elites in the Southern Andes. In Villa El Salvador, a district of Lima, a community deeply affected by political violence in the 1980s and early 1990s rebuilt itself through grassroots, self-managed committees. State and non-state organizations have produced reports recommending the replication of successful experiences in Limatambo, Villa El Salvador, and Porto Alegre.

Another case held up as an example of the benefits of participatory budgeting is the Regional Government of Moquegua, located in the south of the country. Regarded as a case of efficient management in education (Tam, 2008: 105), it is the regional government that has invested most in the sector (Medina and Timaná-Palacios, 2015: 7). Moquegua's results in the government's annual education assessment were used to substantiate the narrative linking participatory budgeting with improved outcomes.⁵ Between 2011 and 2013, the schools evaluated in Moquegua ranked first nationwide, 53% of students reached the expected level in the area of mathematics (Contraloría General de la República,

⁵ León Zamora (2017) analyzes the complexity of Peruvian schools in the context of the rankings produced by the Ministry of Education based on the Student Census Evaluation, in which students in the Moquegua region stand out.

2015: 142-144), and over 60% achieved a satisfactory level in reading comprehension (Instituto Nacional de Estadística e Informática, 2017: 24).

According to its protagonists, the progress in education in Moquegua is linked to the regional policy that gave children and teachers access to computers and the Internet: The Best Classroom in the World project received 10,500 euros through participatory budgeting in 2007, according to the project director (Fondo Nacional para el Desarrollo de la Educación Peruana, 2016: 25). The media widely publicized the encouraging performance indicators linked to Martín Vizcarra, at the time regional governor of Moquegua and responsible for overseeing the administration and development of the region. Vizcarra was elected vice president of Peru at the end of his term and later assumed the presidency of the country in 2018.⁶

Evidence of the success of any public intervention is measured in the evaluation phase by applying rational and objective instruments. However, this notion often overlooks the complex social and political contexts that influence evaluation outcomes. The following section describes how participatory budgeting works in Peru.

The restrictive grip of state bureaucracy on citizen decision-making

Gonzales de Olarte (2023) defines decentralization in Peru as the distribution of state power across multiple levels of government – a reform deemed essential to break away from the centralist “colonial legacy” and improve people’s well-being by ensuring efficient, equitable, and informed access to state-provided goods and services (2023: 14-15). Initiated in 2002, the process involved the progressive transfer of responsibilities and financial resources to local governments, based on the premise that their proximity to the population would enable a more accurate understanding of local priorities. At its core, it involved the redefinition of the geopolitical structure of the Peruvian State: a central government (with national scope and operating from Lima), 25 regional governments, and more than 2,000 municipal governments (Gonzales de Olarte, 2010: 185).

Two decades later, progress on decentralization is not encouraging. The following section explores the implementation of two interconnected processes: decentralization and citizen participation. Both have involved the growth of the state bureaucratic apparatus and specialization in academia. Furthermore, it has entailed what Habermas (1970) referred to as the *scientification of politics*, in the Peruvian case, based on public finances.

⁶ See *El Comercio*, “Martín Vizcarra, el moqueguano que creyó en el motor educativo” [Martín Vizcarra, the Moqueguano that believed in education as a driver for development] (14 November 2014) : <https://elcomercio.pe/economia/peru/martin-vizcarra-moqueguano-creyo-motor-educativo-180310-noticia/?ref=ecr>; *El Comercio*, “Iniciativas de impacto: los colegios Fe y Alegría, el programa Beca 18 y la apuesta de la región Moquegua en sus colegios” [Impact initiatives: Fe y Alegría schools, Beca 18 program and the commitment of the Moquegua region to its schools] (14 November 2014) : <https://elcomercio.pe/economia/educacion-tres-ejemplos-locales-son-dignos-aplaudir-429376-noticia/>.

The management of public finances at the local level

The central government annually distributes funds to local governments without regard for population size or the local conditions of each jurisdiction.⁷ However, not all municipalities receive the same amount of funding; e.g., some obtain more funds as a result of revenues from the extraction of natural resources in their territories, among other factors. Namely, financial transfers are allocated unevenly according to a formula that favors areas where copper, gold, and gas are extracted (Letelier and Neyra, 2013: 164). In addition, regular incomes include municipal taxes and the Municipal Compensation Fund, created to promote public investment in rural and marginalized communities.

Municipal legislation demands a participatory budgeting process. Originally, two key elements gave the decentralization process its participatory character. Firstly, the law stated that local development planning would be monitored by a Local Coordination Council composed of representatives elected by society. Secondly, it emphasized the formulation of budgets based on the priorities of the population. However, no specific regulation was issued regarding the mandatory incorporation of the elected councils in decision-making about the budget priorities of the population, and so local government officials may discard them (Remy et al., 2020: 7).

Expansion of the specialized bureaucratic structure in local governance

In the meantime, another process was taking place in the state: the expansion of the apparatus that homogenizes public investment in all sectors and levels. In 2000, the National Public Investment System Act (SNIP) was promulgated, establishing that:

[...] the Ministry of Economy and Finance, through the General Directorate of Public Investment, is the highest technical and regulatory authority of the National Public Investment System, and it issues the technical standards, methods, and procedures that govern public investment projects (paragraph 3.1 of Article 3).

Local governments were gradually incorporated into the SNIP, with Ocongate being included in 2007.⁸

According to the regulation, each local government has an office responsible for developing Multi-Annual Investment Plans (PMI). They also submit the Multi-Annual Report, defined as one of the “regulatory principles of the budget system.” These management tools must contain municipal statistics on the finances of the previous year and projections for the next three years. Notably, the office is required to produce an evaluation of the previous year’s targets compared to actual execution, along with an explanation of any discrepancies, statistical information for the previous year, and projections of regional and local finances for the next three years, among other responsibilities.⁹ The MEF’s General PMI Office formulates a national program for a three-year timeframe. This programming

⁷ Letelier and Neyra (2013), Remy et al. (2020) and Grupo Propuesta Ciudadana (2009, 2012, 2015) detail the process of devolution of powers and resources to subnational governments.

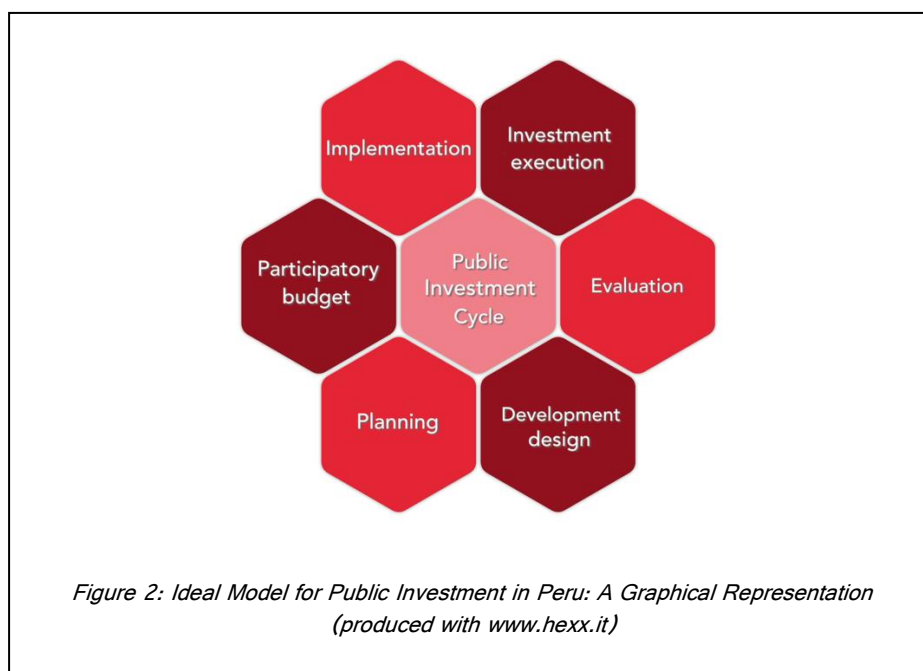
⁸ Directorial Resolution No. 005-2007-EF-68.01, published on 31 March 2007.

⁹ Legislative Decree No. 955, Fiscal Decentralization, published on 5 February 2004.

device consists of a complete list of investment projects and their accountable entities, current phase, investment amount, among other data.¹⁰

Remy et al. (2020: 6) state that MEF's guidelines have gradually come to regulate in detail the actions of each participating agent (government officials and directors of public education or health institutions), while also establishing that not all local budgets would be defined through participatory processes. In 2008, the National Center for Strategic Planning (CEPLAN) was created to coordinate the entities that manage public investment. It follows a results-oriented approach aimed at monitoring and evaluating plans, programs, and projects. The devices for managing public budgets are thus numerous and complex. They are also based on the ideal of an investment cycle that differentiates three phases: planning, implementation, and evaluation.

The idealized investment cycle is depicted below; it reads clockwise and shows the main phases in bright red, intertwined with the socio-technical devices serving each phase in dark red.



¹⁰ Institutional website of the Economic Commission for Latin America and the Caribbean (ECLAC) (Regional Planning Observatory for the Development of Latin America and the Caribbean, <https://observatorioplanificacion.cepal.org/es/instituciones/centro-nacional-de-planeamiento-estrategico-ceplan-de-peru>).

In 2016, the public investment system was reorganized to better direct investments toward the effective delivery of services and infrastructure essential for the country's development.¹¹ Regulations prioritize infrastructure development; however, many municipalities are small and lack specialists dedicated solely to managing MEF guidelines and producing statistics. As a result, these regulations increase the demand for such specialists.

While the regulation aims to allocate public resources towards infrastructure development effectively, its implementation faces challenges due to the lack of in-house expertise at the municipal level. As a result, the need for specialized personnel arises to ensure that the regulation is carried out effectively.

Public finances as an objective science

Rap (2017) highlights that the discourses of development and modernization include the equivalent of Gods, the most notable being that of Science (Van Donge and Kibuni, 2014, in Rap, 2017: 190). Decades earlier, Habermas (1970) observed the tendency towards scientific control of natural and social processes, and the rationalization of economic production, administration, and voting behavior.

Expertise in participatory budgeting rests on the science of public finance, a branch of economics that deals with the study of fiscal and financial policies of the public sector, including local governments. It addresses tax collection, budget planning, and public expenditure allocation, among other aspects. It combines elements of economics, mathematics, and political theory regarding the public sector. In Peru, public finance use regressions and non-parametric models to analyze MEF data, providing insights into local government spending (Neyra, 2019; Natividad, 2022), voter behavior, and public accountability (Weaver, 2021).

The idea of participatory budgeting as a pillar of local development is grounded in evidence from public finance. This evidence comes from data collected by finance experts within the government and academics who have conducted studies based on quantitative and measurable data. The primary source is the data systematized by officers in each local government, which is then disseminated by the MEF. Regardless of concrete outcomes, the state strategically shapes the perception of local development through its presentation of quantitative data. Reports are presented in a visually engaging way, with charts and pictures to make it more accessible to a wider audience. However, the MEF does not distribute these reports and publications equally and often imposes conditions on local governments for their use.

The MEF reported at the beginning of 2023 that 54% of municipal governments had failed to register the consistency between the budget for that year and the PMI for the next three

¹¹ Legislative Decree No. 1252, which creates the National System of Multiannual Programming and Investment Management (published on 1 December 2016, and amended in 2017, 2018, and 2020).

years through the tools provided by the institution.¹² The announcement exposes municipalities whose officials are not keeping up with the public management cycle, while identifying those that are on the path to efficiency through planning. MEF's publications highlight the strong surveillance that the central government maintains over local governments, which, under the logic of decentralization, should have autonomy. The state presents itself as fully funding local authorities, shifting responsibility onto them and their efficiency, even though strict rules and unequal resource distribution often prevent real benefits from reaching communities.

Decision-making mechanisms: participatory budgeting vs local practicality

Studies on citizen participation mechanisms in Peru have identified five challenges in the process. Firstly, the state's norm on citizen participation is restrictive: citizens must belong to a grassroots organization, which adhere to complex registration processes. Secondly, the call for and form of participation are defined by municipal officials and authorities, which gives them control over citizen participation (DESCO, 2021: 13-15). Thirdly, in many cases, citizen participation has become a mere compliance with the law, with annual rituals devoid of participatory content (Programa Pro Descentralización, 2016: 54). Fourthly, technocracy is imposed institutionally over elected authorities (Grupo Propuesta Ciudadana, 2009); the MEF rigidly controls the formulation and management of the national budget, which affects the autonomy of local governments. Finally, resource transfers serve as a tool for politicians to win or placate voters; research has found that regions where the national government had the least support in the 2011 elections generally received more benefits (Letelier and Neyra, 2013: 172), while another analysis showed that regions with the lowest rates of monetary poverty experienced an increase in their per capita budgets, unlike the poorest regions (Grupo Propuesta Ciudadana, 2012: 10). In summary, the MEF uses discretion in budget allocation.

This last section analyzes the interrelationship between the local governance mechanisms implemented by the state and the more practical forms of decision-making in Ocongate.

Inside the municipal office: a peek into the agreement-making process

Ocongate District, an administrative subdivision in the Andes of Peru, has approximately 20,000 inhabitants. Predominantly rural, it has experienced gradual urban growth in recent years. Its main economic activities include animal husbandry (cattle, alpacas, and guinea pigs), agriculture, informal mining, and trade, which has expanded notably since a highway connecting Peru and Brazil began crossing the district in 2010. At the political level, Ocongate is governed by a mayor elected for a four-year term. The Municipal Council, consisting of five councilors, performs oversight and control functions. Classified as a rural

¹² Communication issued by the Ministerio de Economía y Finanzas (MEF), through the General Office of Multiannual Investment Programming, published on the *Invierte.pe* website on 18 January 2023: https://www.mef.gob.pe/contenidos/inv_publica/docs/novedades/2023/Comunicado_20230118.pdf

district experiencing extreme poverty, Ocongate receives substantial budget transfers. Between 2012 and 2021, the average annual budget amounted to 4.4 million euros.

A key stage in the decentralization process is administrative decentralization, involving the transfer of state management capacities and expertise to municipalities (Gonzales de Olarte, 2023: 89-90). The number of municipal officials in Ocongate has increased in response to the growing demands of institutional functions; however, the main municipal headquarters lacks sufficient space to accommodate this expansion. By 2022, the municipal administration employed more than 350 staff members.¹³ To address this, the municipality established additional offices on the second and third floors of the market and within the municipal stadium. The principal building is located in the main square. It is especially crowded on Sundays, when the leaders of peasant communities (*comunidades campesinas*) – legally recognized territorial and political organizations in rural Peru – visit the mayor and other officials to submit petitions on behalf of their jurisdictions or to manage specific projects. The likelihood of a favorable response to their demands increases when the entire board of the respective *comunidad campesina* attends the mayor's office.

Another way agreements are made in Ocongate involves the mayor attending meetings within peasant communities, typically in their communal halls. Members of the organization usually welcome him with a banquet, while negotiations unfold as a form of service rendered by the mayor to his voters. Agreements are reached amid music and alcohol, but the real test comes in the months and years that follow. Community members closely monitor the mayor's promises, and, if these are not fulfilled, they raise their concerns. This way of reaching agreements is both personal and direct, as it relies heavily on the mayor's word of honor and is usually supported by the signature of an official document. It bypasses the bureaucratic process mandated by the central state for participatory budgeting.

Participatory budgeting as a formality in municipal decision-making

The participatory budgeting process has been implemented irregularly by the Municipality of Ocongate since its introduction in 2004. Official minutes from workshops held between 2005 and 2010 record the participation of representatives from a wide range of entities, including state bodies within the agricultural sector, child-focused non-governmental organizations (NGOs), and unaffiliated individuals. However, from 2010 onwards, these actors ceased to appear in the attendance records. Likewise, the involvement of NGOs has noticeably diminished. The workshops in 2012 and 2013 were held in a decentralized way, in four different locations in the district. According to a municipal official, this decision responded to requests from people, some of whom did not attend workshops because it took them up to seven hours to get to the municipal headquarters. However, in the following years, participation declined further.

The workshop for the 2020 participatory budgeting was held over two days. A total of 83 community and school representatives participated. Priority was given to projects in four

¹³ This total is based on data from the *Registro Nacional de Municipalidades 2020* (INEI) and supported by ethnographic research in Ocongate.

sectors: agriculture, roads, education, and health. As a result, 65 proposals were prioritized: 25 on livestock activities, 17 on road development, 16 on educational infrastructure construction, and 7 on health. Local government officials reported that 24 proposals were rejected, either because they fell under the responsibility of another state institution or because they did not address a key local need.

During the Covid-19 pandemic, the workshops were not held due to restrictions enforced in the country. In 2022, as the Covid-19 prevention measures became more flexible, the municipal government organized a two-day participatory workshop. Attendance declined compared to previous years, with only 47 participants present. One community president reported receiving the invitation just a few days in advance and was therefore unable to attend; a fellow board member participated on his behalf. Another community representative stated that he attended the workshop out of a sense of duty, although he identified no connection between the discussions held during the event and the final plan presented by the municipal official. Moreover, none of the projects discussed concerned his community. He raised the issue of a nearby village's use of stream water for gold mining. However, this question was not discussed, as the mining activities lack official permits, and local authorities turn a blind eye to them.

Participatory budgeting workshops in Ocongate primarily serve to formalize decisions already made by the municipal leadership rather than to foster genuine community participation. Based on field research, decision-making occurs directly between communal authorities and the mayor, with workshops functioning largely as a procedural formality. These workshops are organized by the municipality as a legal requirement, functioning as a necessary condition to maintain access to financial transfers from the central government. Failure to comply with these participatory mechanisms risks jeopardizing funding for subsequent fiscal years.

For instance, the Ocongate Main Square Renovation Project was inaugurated in August 2022. The project included the installation of two-meter high plaster sculptures depicting dancers from the Qoyllur Rit'i pilgrimage, an ancient religious festival held in Sinakara mountain, in Ocongate. Additionally, flowers and grass were planted throughout the square. The renovation sought to revitalize a central public space, fostering community pride and cultural recognition.

In participatory budgeting meetings, residents of Ocongate repeatedly requested safe green spaces for children. Concerns intensified after the rehabilitation of the Interoceanic Highway, due to increased traffic accidents. Recognition of the Qoyllur Rit'i pilgrimage was also a frequent topic, particularly advocated for by the pilgrimage brotherhood and associated organizations. However, the official meeting minutes contain no record of a proposal to install plaster sculptures in the main square. At the unveiling, the then mayor stated the project addressed demands for green areas, despite the way the square's fenced gardens restricted access for children.

Despite nearly twenty years of participatory budgeting workshops in Ocongate, citizen proposals often receive limited follow-up. As one resident remarked during the

inauguration of the sculptures, “Every new mayor comes in and changes things; there’s always something else to spend money on. They should also tell us how much they spent.” These comments suggest local authorities focus on costly, visible projects to show activity, often overlooking urgent community needs and transparency in spending.

The visibilization of good local management

The MEF periodically issues a bulletin summarizing results in each sector, generally highlighting progress in infrastructure investment. For example, the 2022 document states that the budget execution rate has been the highest in recent years, a “record figure” (Ministerio de Economía y Finanzas, 2023: 7). The agency’s institutional website shows public budget spending through photographs, usually of buildings or roads where concrete is prominently featured.

The MEF regularly publishes reports and bulletins that use technical language that may not be easily understood by the general population. To make the information more accessible, politicians frequently give interviews to the media explaining the results in simplified terms. In addition, municipal officials also participate in events, such as the inauguration of projects or ceremonies where they highlight the achievements of their administration. Recently, officials from Ocongate presented tools to local guinea pig producers. The general manager emphasized how the administration differs from past ones regarding the ability to make decisions:

Our commitment since we took office has always been to execute works, to execute projects; that has been our commitment. Previous administrations have not always been able to do so because they did not have the political will. Despite the challenges, we do make political decisions.

As Aristotle argued, political persuasion operates through reason, emotion, and the perceived character of the speaker (Aristotle, trans. 2004). In the local politics of the district, rationality is upheld by specialists in public investment and finance, while emotion and credibility depend on the performance of municipal mayors. At the ceremony on the anniversary of the founding of Ocongate, the mayor presented the keys to the city (a novelty in a small village) to a person who donated land for the cemetery. Coincidentally (or not), he was the mayor’s cousin. In his speech, the mayor declared:

We are talking about more than 13,000 square metres that not anyone would donate. Many inhabitants who have already left [the district] have huge plots of land but they don’t donate. That’s why I’m impressed by the fact that you, the Gómez family, have donated more than 13,000 square metres. You don’t care about money; you care about the people. And that is praiseworthy. That is what the Almighty will recognize, and he will judge those who have done good and those who have done bad (November 2021).

According to Habermas’s typology of expertise, Ocongate corresponds to the decisional type of specialization (1970: 100), as the mayor ultimately makes the decisions. The growing group of technocrats must accommodate the instruments of the MEF to meet the mayor’s commitments. In contrast to the technocratic model, based on rationality, the limits of public finance specialists seem to lie in the mayor’s decision-making power. One

explanation may be the hierarchy in the institution: the specialists have been hired by the mayor, which diminishes their independence.

In short, the decentralization process and the implementation of participatory mechanisms aim to achieve what Habermas (1970: 97) referred to as the scientification of politics. It was conceived as a pragmatic model, in which experts, politicians and citizens engage in dialogue to determine technical progress. Nonetheless, tension persists between technocratic and decisionist expertise. In theory, this model should maintain the demand for rationality by reducing political domination to rational administration. The socio-technological package implemented by the Peruvian State aims to turn politicians into agents of execution for a scientific intelligence (the experts) that formulates strategies based on available objective resources (Habermas, 1970: 100, 105). In contrast, the decision-making model that dominates Ocongate seeks to subordinate technical rationality.

The implementation of traveling models, in this case one imported from Brazil, produces unexpected effects when local context is not taken into consideration (Olivier de Sardan, 2021: 27). In Ocongate, the discontinuity in public investments from one administration to the next reflects the broader absence of sustained and consistently applied public policies at the local level, a situation often exacerbated by persistent political rivalries. The 2011-2014 municipal government approved building renovations for three schools (Yanama, Pinchimuro, and Komunancha), yet progress remains slow after ten years. Similarly, the Aocunca irrigation project, initially approved in 2014, experienced discontinuity in implementation during the following administration, reflecting broader challenges of policy inconsistency. The project was only revived in 2018 when the mayor's brother, who had held office during its approval, returned to power. However, following the election of a new authority in 2023, the project was once again suspended.

Project delays are widely perceived by the population as indicators of corruption, with prevalent suspicion that municipal budgets are used to reward political supporters. Public perception views clientelism as a routine practice where sponsors' demands are prioritized and public contracts awarded to their companies. These decisions, however, appear as the result of society's collective participation. The decentralization process not only transferred competences and finances, but also corruption to subnational governments, mostly in the form of steering in the tendering of investment projects and concessions, as well as the procurement of goods and services (Gonzalez de Olarte, 2023: 123-128).¹⁴ In summary, the participatory budget workshops can also facilitate the formalization of the use of public finances for personal purposes.

Conclusions

Participatory budgeting's socio-technological package seeks to prevent the misuse of public funds on non-essential undertakings, e.g., costly monuments in towns lacking fundamental services such as clean water and access to health. By implementing this technology,

¹⁴ The municipality is part of a region in which three of the six regional governors since the beginning of the decentralization process are or have been in prison for acts of corruption.

the promise is to provide a means for both organized and unorganized citizens to decide on the allocation of their local public budget. This approach fosters a form of direct democracy while ensuring that public resources are allocated to the community's needs.

The Peruvian experience is marked by the implementation of the participatory budgeting device in a top-down fashion, which has gone hand-in-hand with the extension of technocracy to all levels of the state. This can be seen in the creation of specializations for government officials, where public finance is presented as an objective science that can make the management of public finances appear neutral and objective.

People do participate in the management of the budget, but not according to the logic defined by the laws of the central state. Those who participate depend on their closeness to the mayor or their ability to access local political networks. Like any implemented technology, participatory budgeting has unintended consequences, among which are the exclusion of certain actors and questionable practices in the use of the resources. What explains the ineffectiveness of the participatory budget model in Ocongate? Its design did not consider the characteristics of the local context. Participatory budgeting falls short of its intended aims. Decisions are usually negotiated through longstanding governance practices between municipal officials and elected authorities from *comunidades campesinas*. While these arrangements endure, many residents perceive that local powerholders and their networks control decision-making within closed circles.

Participatory budgeting serves municipal authorities as a procedural tool to access central government funding, reflecting the limited autonomy of local governments. In practice, financial control from the capital city shapes what can be done, underscoring that the real exercise of power remains centralized.

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