

COLLECTIVE ACTION AND DECENTRALIZATION

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Peru is a country with a significant, deeply rooted problem of centralism. Its history dates back to the colonial era and is woven through the Republican era to present day². A variety of decentralization attempts have been made throughout history but to date none have been successful or have taken root. Since the end of the 1990s and more specifically as of 2002 a new decentralization processes has begun, which included the creation of regional governments based on the old departmental demarcation.

Some significant aspects of the current process are those which have incorporated the participation of the population, not only in the electoral arena but also in local and regional government structures, creating mechanisms and bodies such as local and regional coordination councils; agreements with civil society and mechanisms to ensure public participation in the development plans and budgets of these sub-national governments.³

In this work, we propose observing collective action in the country and asking whether it is an important motor in the decentralization process, as a political, economic and management demand from the regions and areas in the interior of the country. As a result, we have focused on the impact of collective action at a meso level, which is to say in local and regional areas and which is made up of political and organization aspects.

In order to do this we have taken into account the events that are related to the development of collective action that seeks, through different means, to confront the problems facing the community, appealing to organization, participation and

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² The problem has been outlined by Efraín Gonzales de Olarte as follows: "the fact that Lima-Callao produce 54% of the national GDP, have 50% of the income and house 35% of the labor force - the most qualified in the country - generates a syndrome that inhibits growth in the other regions." (Gonzales de Olarte, 2003: page. 15)

³ According to the Group Propuesta Ciudadana (Citizen Proposal), which specializes in the field of decentralization "the process has advanced in a significant manner in defining the principles and the general legal framework of decentralization and has taken a substantial step with the election of regional political authorities. It is also important that participatory processes have been introduced in the design of regional and local governments, as well as in the elaboration of annual budgets and development plans in these two governmental bodies. In "La Descentralización Peruana: una agenda para relanzar un proceso impostergable", *Economía y Sociedad* N° 59, CIES, March 2006. (page. 68)

social organizations. We have followed its trajectory for the past 25 years, seeking to analyze its nature and actors, in particular its relationship with the State and central government, which on many occasions has been conflictive.

We have observed that there has been a great deal of collective action in the regions and areas that is principally a reaction to the problems generated by centralism. However, all this social energy has managed to focus State attention on the demands raised by the population in the diverse regions and areas of the country.

The above leads us to ask ourselves if the development of collective action leads to greater decentralization and if the level current level of social and political conflict is attenuated and channeled through mechanisms of participation and negotiation as decentralization advances. This final aspect goes far beyond the possibilities of the current work.

For the purpose of this work we will first analyze collective action at a meso-level, based on acts or collective actions that have taken place over the 1980-2005 period in different regional areas in the country. We will then analyze the progress of decentralization by observing some fiscal measures that have principally been achieved thanks to collective action and which are oriented toward achieving greater decentralization based on the transfer of resources that the central government makes to sub-national governments. Finally, we will propose some conclusions and reflections.

1. Collective action: typology, characteristics and trends

We have established a typology of collective action at a meso level⁴ and of a political and social nature, taking the following variables into account: the type of actors and the nature of the collective action. We have opted to classify and breakdown the typology in order to analyze the characteristics of the collective action for 1980-2005 period in Peru.⁵

2.1 Classification by actors

This corresponds to social, economic and political actors at a meso level. Through this classification we have sought to characterize the actors of collective action by class or social location, differentiating between rural and urban actors.

Additionally, we have considered that collective action can emerge and be distinguished depending on the articulation and reach of its actors. As a result, the study differentiates between regional movements, urban grassroots movements and those actions or mobilizations that imply the participation of authorities who represent regional and local collectives

The main actors of collective action in the period of analysis are the following:

- a) Indigenous communities and peasant farmer movements.
- b) Regional movements and organizations
- c) Movements of urban residents
- d) Labor Associations and Workers Movements
- e) Economic associations and business guilds
- f) Local and regional political authorities.

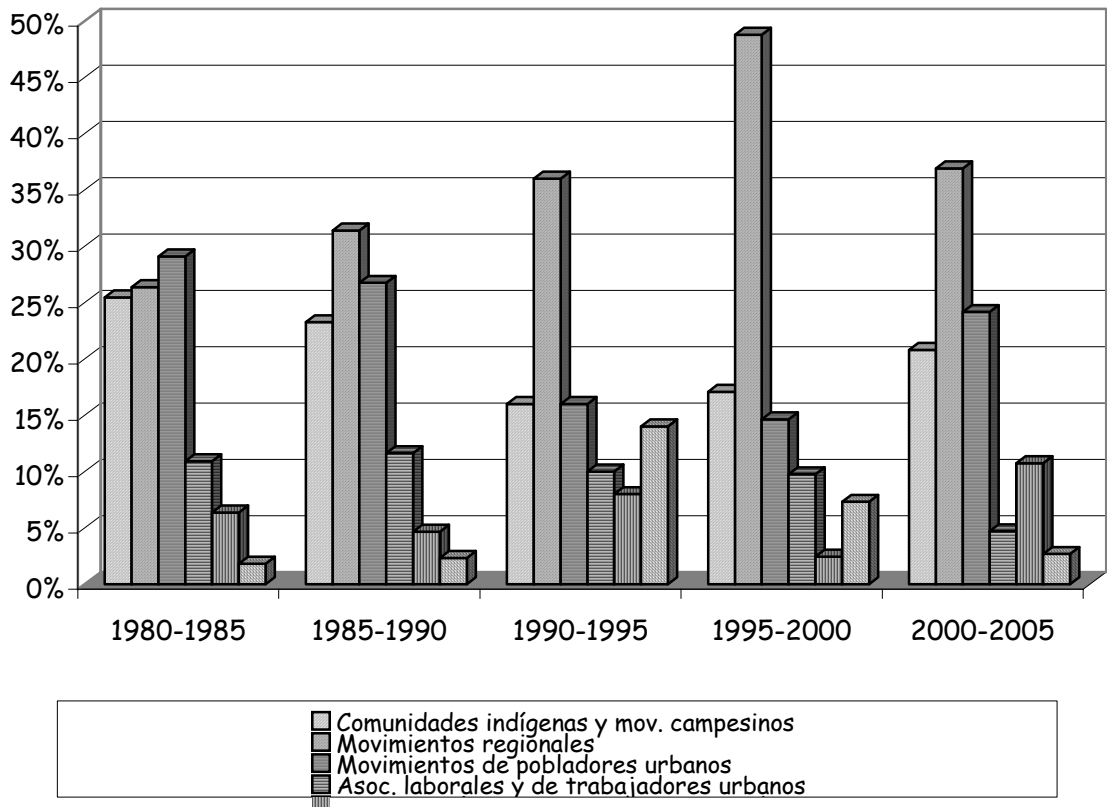
Based on this classification one significant result emerging from the data is the fact that regional movements have had the most historic participation in collective acts or actions throughout the 1980-2005 period. The bulk of these actions have focused on confronting national government policies, both on the political economic front (privatization, reduction of public investment, etc) and on sector aspects related to farming or mining. This greater participation of regional movements can be appreciated in the following graph.

⁴ In order to specify the characteristics of collective action at a meso level it is possible to look at the text: Muñoz, I.; M. Paredes y R. Thorp: "Acción colectiva, violencia política y etnicidad en el Perú", Cuadernos de Investigación Política, Master in Political Science PUCP, Lima 2006. (pag. 4)

⁵ Data collected in the 1980-2005 period includes 436 collective actions at a meso-level in different parts of the country. The source is the DESCO Data Base.

Graph N° 1

Collective Action by Periods, according to Actor



The collective actions spearheaded by indigenous communities in the countryside and by urban residents also represent significant participation in the total number of registered collective actions. The most important cases have been mobilizations of peasant farmer movements in the face of the agrarian policy (protection for farming products, help when prices fall, etc) and on the part of indigenous communities who have responded in an organized fashion to mining or hydrocarbon ventures on their community lands.

One key element between peasant farmer action and urban action, taken as two variables, is that they both move in the same direction. If the collective action of indigenous and peasant farmer communities increases, action among urban residents also increases and the opposite is also true. This certainly does not imply that there is causality between both variables but there is a strong positive relationship that would be worth investigating further.

Both the constructed data (summarized in chart 1) and the what is observed in graphs 1 and 2 indicate limited participation on the part of political actors and local and/or regional authorities in the generation of collective actions, such as

for example open meetings or assemblies. The behavior of these actors is similar in the periods 1980-1985, 1985-1990 and 2000-2005. Their greatest political action was in the 1990-1995 period, precisely at a time when the country was through a series of political and institutional crises.⁶

Chart N° 1

Collective Action by Type of Actor: totals and percentages

Períodos	Comunidades indígenas y movimientos de campesinos	Movimientos regionales	Movimientos de pobladores urbanos	Autoridades políticas locales y regionales	Asociaciones laborales, movimientos de trabajadores urbanos	Asociaciones económicas, gremios empresariales	Total por períodos
1980-1985	28 (25%)	29 (26%)	32 (29%)	2 (2%)	12 (11%)	7 (6%)	110
1985-1990	20 (23%)	27 (31%)	23 (27%)	2 (2%)	10 (12%)	4 (5%)	86
1990-1995	8 (16%)	18 (36%)	8 (16%)	7 (14%)	5 (10%)	4 (8%)	50
1995-2000	7 (17%)	20 (49%)	6 (15%)	3 (7%)	4 (10%)	1 (2%)	41
2000-2005	31 (21%)	55 (37%)	36 (24%)	4 (3%)	7 (5%)	16 (11%)	149
Total de acciones colectivas registradas a nivel meso							436

Source: DESCO data bank
Self Elaboration

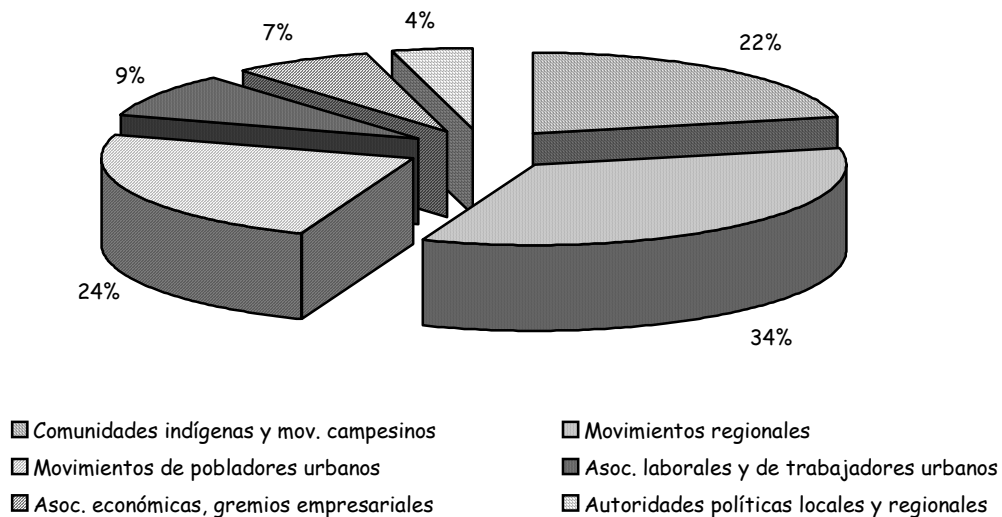
The collective action in which the above mentioned actors have participated has tended to emerge in reaction to the public policy of the central government or to the presence of outside agents in their areas. It has been marked by a strong local or regional component without any national or long term articulation. Even in the political sphere, the collective action has emerged as a reaction to events that are underway, such as the regional mobilizations of the Patriotic Front in Loreto in the face of the peace treaty agreements, signed between Peru and Ecuador in the 1990s.

⁶ On April 5, 1992 Fujimori carried out a so-called “self-coup”, dissolving Congress and deactivating elected regional governments. This interruption of the democratic regime concluded with the convocation and election of a Constituent Congress in 1993.

Given that the reaction of the actors tends to be repeated, in a similar fashion and with different degrees of conflict in the face of central government policies, one could presume that there is little foresight or efforts to channel the participation of the population in local and regional spheres and confront eventual conflicts. Clearly this task is a State responsibility.

Graph N° 2

Historic Collective Action by Actor



In general, we can indicate that historically in Peru regional movements have been the most important driving force behind collective actions at a meso level, while collective actions generated by local and regional political authorities are the ones with the least impact. This could indicate that in local and regional spaces, political representation related to decentralization is precarious and that political parties do not fulfill their role as they are a weakened force to generate citizen participation.

Finally, an analysis of the collective action also gives rise to two appreciations. One is that the business associations and organizations or guilds have participated more intensely in collective action at a meso level in the 2000-2005 period. It is worth noting that these associations are also a type of lobby groups and represent the economic interests of diverse sectors, such as cotton farmers (Ica, Piura),

agro industrial sugar sectors, merchants, etc. These business and trade associations are regional or local.

Moreover, the situation of the business associations can be contrasted with the limited participation on the part of labor associations and urban worker associations over the 10 years, which is to say between 1995 and 2005. This weakness is very likely due to the lack of labor protection that has been imposed in the country as a result of the neoliberal structural reforms of the 1990s. Collective action became much more costly for workers' groups, given the high risk of losing their job, which represents a factor that limits their participation.

2.2 Classification according to the nature of the collective action

This classification seeks to differentiate the ways the organized population expresses itself, whether it is to carry out a protest, make a demand or to construct an institutional framework that represents the interests of a collective or social sector at a local or regional level. The diverse types of collective actions have been classified, addressing the principally reactive character that we have found in the analysis of the collected actions throughout the 1980-2005 period.

- a) Collective action against the economic, agrarian and labor policy. This area concentrates actions that seek to confront the economic system or a series of economic policies that have been applied in each corresponding political regime or government. These actions are conceived as being confrontational to an economic model that negatively affects different sectors of society: farmers, salaries workers, merchants, etc.
- b) Collective action against manifestations of state centralism. As opposed to the first, these are carried out in order to call the attention of the central authorities (whether these are ministers, congress representatives, etc), regarding local and/or regional problems of a timely nature. They are a direct response to focalized or arbitrary measures on the part of the central State that restrict or slowdown the degree of decentralization of local and/or regional governments and have an impact on local society.
- c) Collective action against the privatization of public companies. These actions are a reaction in the face of the danger of losing employment or an increase in prices and rates that the population has associated with privatization. Moreover, given the importance public companies had in regional areas, collective actions in this scenario are a response to the loss of regional power and, to a good extent, serve to generate stronger processes of regional or local identity.

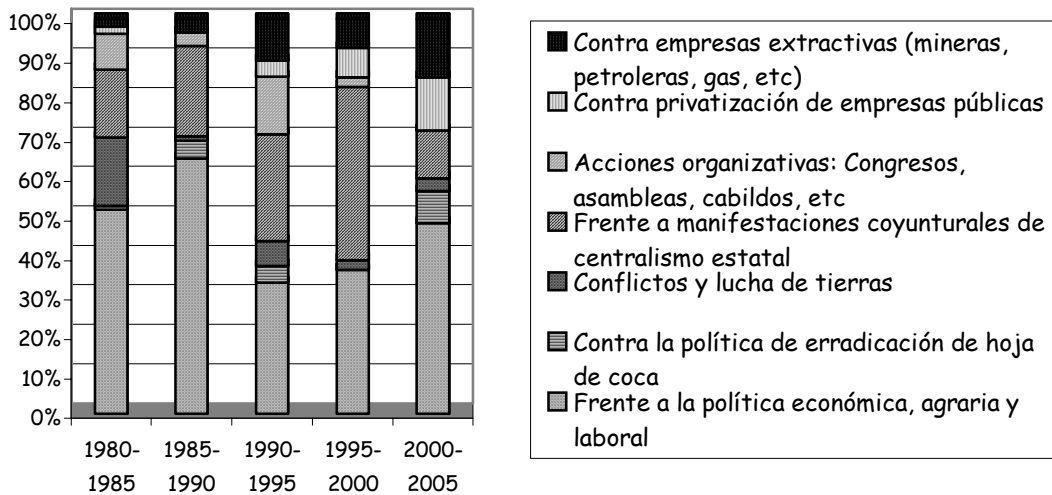
- d) Collective action against extractive companies (mining, oil, gas companies, etc). Basically these are conflicts between economic activities that have emerged from the processes of opening up the country to investment and privatization and which seek to extract mineral, oil and gas, and economic activities that are commonly practiced by rural communities, the majority related to farming and ranching.
- e) Collective action against the coca crop eradication policy. This is a particular but relevant type of action on the part of a peasant farmer movement in response to a focalized policy imparted from the central government, in coordination with international agencies, against the coca crop.
- f) Collective action for land struggles and conflicts. This is about land demands, conflicts over property titles and the invasion of private or public terrain. These events have taken place both in rural and urban areas to different degrees but have not achieved the momentum they had in the 1960s and 1970s.
- g) Organized collective action. These actions include holding congresses, boards, assemblies and meetings. Unlike other forms of collective action these do not necessarily have a reactive character regarding the economy or any other policy but rather address constructive organizational actions, and do not necessarily involve the use of confrontational or violent measures.

Taking this classification into account and carrying out a comparative analysis, actions against the general economic policy represent the driving force behind collective action in the country during the 1980-2005 period. This trend is maintained in other periods with the exception of 1990-2000 when its weight compared to other reasons for collective action underwent a relative decline.

The evolution of the forms in which the reasons for the collective action have been composed have been divided into five periods of five years each, principally addressing the mandate of successive national governments. This evolution can be appreciated in the following graph.

Graph N° 3

Composition of Collective Action



The demand for decentralization from the interior of the country and from local spaces, which is an expression of the struggle for a redistribution of power, raises expectations among local and regional populations. This can give rise to collective actions in the local or regional arena that are purpose-driven and constructive or to actions based on demands that can give rise to long-term, intense conflicts. These final actions are not the principal characteristic of current Peru society.

When a government decentralizes it promotes the creation of active local politicians but not citizenship *per se*. In this sense, decentralization can promote the realization of collective actions to make demands and search for greater political rights in determined areas⁷, above all when initially the main motivator of the collective action could be achieving certain local economic benefits which, when satisfied give rise to new demands oriented more toward political rights, such as the regional demand for greater consultation and decision making power over natural resources from the regions themselves.

We can also note that the majority of collective action on the political front (meso level) took place during democratic periods and that the number declined under an authoritarian regime such as the one that marked the 1990s. For example, there

⁷ This is more evident when there is a greater perception of the "empowerment" of individuals belonging to communities that have had conflictive experiences in the face of the central power with beneficial results.

has been a notable increase in collective actions in reaction to central government policies in the 2000-2005 period compared to those that took place in the 1990s.⁸

Chart N° 2

Collective Action by the nature of the action: totals and percentages

Períodos	Frente a la política económica, agraria y laboral	Contra la política de erradicación de hoja de coca	Conflictos y lucha de tierras	Frente a manifestaciones coyunturales de centralismo estatal	Acciones organizativas: Congresos, asambleas, cabildos, etc	Contra privatización de empresas públicas	Contra empresas extractivas (mineras, petroleras, gas, etc)	Total por períodos
1980-1985	57 (52%)	1 (1%)	19 (17%)	19 (17%)	10 (9%)	2 (2%)	2 (2%)	110
1985-1990	57 (65%)	4 (5%)	1 (1%)	20 (23%)	3 (3%)	0	3 (3%)	88
1990-1995	16 (33%)	2 (4%)	3 (6%)	13 (27%)	7 (15%)	2 (4%)	5 (10%)	48
1995-2000	15 (37%)	0	1 (2%)	18 (44%)	1 (2%)	3 (7%)	3 (7%)	41
2000-2005	70 (47%)	12 (8%)	5 (3%)	18 (12%)	2 (1%)	20 (13%)	22 (15%)	149
Total de acciones colectivas registradas a nivel meso								436

Source : DESCO Data Base
Self-elaboration

Another observation we can make based on the data is that actions that are a direct response to centralism have taken place in every period to a similar extent, although in percentage terms their participation has been different compared to other types of collective action. One aspect we cannot affirm is the degree of intensity and depth of these actions to reject State centralism in each period as this would require analyzing and comparing each case.

On the other hand, the realization of collective actions to confront extractive activities carried out by certain private companies, in particular mining companies, is a phenomenon that has increased in the 2000-2005 period. Prior to the 1990s a significant number of mining and oil companies were administered by the State as public companies, or in the case of mining, it was a much less technical artisan activity with a higher degree of informality. When the economy was liberalized

⁸ One interpretation could also be that the population felt identified with these policies in place in the 1990s and therefore did not have reason to react against them.

and the market opened to international capital, the private sector (national and foreign) began to invest in raw-material based activities that are fundamentally located in regional spaces.

The above brought three consequences: first the collision between the new activities carried out by trans-national firms and private consortia and the traditional economic activities in the different areas; second the increase of environmental problems and natural resource management due to insufficient regulations and state supervision and the exclusion of the involved communities affected by the economic activities of these companies; and third, the deterioration of other local economic activities as a result of the phenomenon known as the "Dutch Disease" due to the appreciation in the exchange rate that affects the ability of local producers to compete, given the major increase in raw material exports and heavy influx of capital into the country.

Associated with this type of action are reactions to the process involving the privatization of public companies. These actions begin to take on more relevance as of 2000 when the process was further advanced and the first effects are perceived by the population as failing to have much direct benefit and in fact to be harmful, as they feel the region has lost power.

Actions related to land conflicts are only an important phenomenon in the 1980-1985 period, with lesser weight in the 1985-1990 period. Later, in the following periods, while there are still some cases of land-related conflict, they do not represent a significant participation in the total number of collective actions we have studied. One explanation could be the progress made in the past 15 years regarding property titles and the improved protection of property rights both in the countryside and in the city.

Regarding actions impelled by coca growers' movements, these took on strength toward the end of 2000-2005, having been practically non-existent between 1995-2000. However, as focalized actions from significant social sector and relevant for being linked to supplying drug trafficking it is important to take them into account in a special manner. Moreover, there were also relatively important between 1985 and 1995, not only because of the number of actions but because of their extension and intensity.

2. Progress in the decentralization process and collective action

Peru is still a highly centralist nation on the productive, commercial and financial fronts, given that the majority of economic activity is concentrated in the capital. Moreover, Peru is a centralized nation on the fiscal front. Aguilar and Morales (2005) indicate in their work that the "central government receives 83% of income from the general government. In particular this collects approximately 98% of tax income. At the same time, the central government is also responsible for the majority of the total expenses of the general government." This can be appreciated in the following chart:

Chart N° 3

Degree of Peruvian centralism (In percentages)

Ratios	2000	2001	2002
Ingresos gob, central/Ing. Gob. General	83	83	83
Gastos gob. Central/Gastos gob. General	84	84	84
Ing. Tributarios gob. Central/Ing. Tribut. Gob general	99	98	98

Source: Aguilar and Morales, IEP (2005)
Self Elaboration

It is worth noting that the term "general government" groups together local, regional and central governments. On the fiscal front, for example, it is possible to observe the enormous centralization both in terms of income and existing expenses. While it is true that inequality can exist among classes within the same geographic spaces, the data also allows us to infer that there are complex and conflictive relationships of inequality between the center and the regions and provinces of the country.

Measuring and evaluating the decentralization process is not an easy task. The social, economic and political forces that impel decentralization in Peru are fragmented. However, over the past 10 years the State has been carrying out a

process of fiscal decentralization and in the past five years a process of political regionalization.

The analysis of these processes is complex regarding their possibilities and impact, above all because of their recent start. For this, for the Peruvian case we have based our analysis on a relevant variable: the resources transferred from the central government to the local and regional governments, also called inter-governmental transfers.⁹

2.1 2 Inter-governmental transfers: a decentralization instrument

Intergovernmental transfers are the resources that the central government turns over to regional and local governments through the National Budget.¹⁰ However, the data we used correspond to transfers made from the central government to the local governments, as regional governments only exist as of 2003. This will be a variable to measure the advance of decentralization. These transfers are Municipal Compensation Fund (FONCOMUN), the Glass of Milk Program (VDL), the mining canon, the oil canon and the canon generated by the hydroelectric, fishing and gas industry along with customs income.¹¹

Given the nature of the process, decentralization consists in a process to transfer skills and resources from the central government toward local and regional governments in the search of the country's integral development. To this end, economic literature studies the decentralization process on the basis of three aspects: the political, the economic or fiscal and the administrative. (Aguilar y Morales, 2005).

⁹ Intergovernmental transfers are a relevant variable both because of the available statistic information and because their origins are linked to collective action that was necessary to obtain several of these transfers to sub national governments.

¹⁰ For the following analysis we have used data published in the Economic Transparency Web Site of the Finance Ministry.

¹¹ The Municipal Compensation Fund (FONCOMUN) is a source of resources established in the Constitution. Its purpose is to promote investment in different municipalities in the country. Its distribution follows redistribution criteria in favor of the most isolated and depressed zones, prioritizing rural and urban marginal areas in the country.

The Glass of Milk, as a transfer is aimed exclusively at local governments and the objective is to provide food, principally for children aged 0 to 13 and for pregnant women. The program was created in 1985, through Law No. 24509.

The canon, as a transfer is defined as the participation or part that corresponds to local governments (provincial and district municipalities) and regional governments of the total income obtained by the state from the economic exploitation of natural resources.

We consider that these aspects of decentralization are complementary and in fact requirements for its integral progress, given that the three establish the development field of local skills necessary for the construction of effective sub national governments. However, between 2001 and 2005, aside from the election of regional governments and the increase of transfers from the central government to the local governments, there has been little significant progress in decentralization.¹²

In the framework of our reflection we have proposed observing collective action in the country and asking whether it is an important motor of the decentralization process regarding political, economic and management demands of the regions and areas in the country. At the same time, we ask ourselves if an important propellant of this process is based on small and mid-sized economic and social spaces, a question that it will not be possible to extensively address in the current work.

This dynamic and the result of collective action can particularly be appreciated in the case of the inter-government transfers, with the emblematic case being that of the canon as a response on the part of the central government to demands made by local governments in the Amazon in 1976, when the law was passed that established the oil canon for the department of Loreto.

2.1 Inter-governmental transfers: characteristics and distribution

Data about intergovernmental transfers exist for the 1995-2005 period. The main intergovernmental transfer corresponds to FONCOMUN, given the significance of the amount assigned to local governments under this concept. The FONCOMUN is made up of the municipal promotion tax placed on all operations considered for the application of the General Sales Tax (IGV), at a rate of 2%, a vehicle tax, tax on shipments and a 25% tax on betting.

This type of transfer that the central government makes for local governments is based on redistributive criteria, using information about the urban and rural population, poverty indicators, such as the infant mortality rate, homes without water and without public electricity.¹³ (Aguilar y Morales, 2005; Alvarado, 2003). It is worth pointing out that no restrictions have been placed on the use of this fund by local governments.

¹² In fact, it could be indicated that there was a regression in the constitution of the biggest regions in the country, as the October 2005 referendum was negative regarding the proposal to add departments that would give rise to macro-regions. The majority voted against the proposal, which means that the regional governments will remain based on old departmental demarcations at least until a new consultation in 2009.

¹³ For the distribution of these funds to local governments, in the calculation of the transfer the rural population is prioritized, following the sequence of the mentioned geographic assignment.

According to Alvarado, the FONCOMUN is distributed in the following sequence: first an amount is established for Lima and the rest of the country. The amount corresponding to the rest of the country is then established and distributed among the provinces, using the infant mortality indicator. As a result, 20% is assigned to the capital municipality and 80% is distributed among the remaining municipalities in the department.

The canon is another type of transfer that dates back to the social movements in the department of Loreto. When the rubber "boom" failed to produce regional development, movements emerged to demand local benefits from the exploitation of natural resources in their regions on the part of the Peruvian State. Under this concept, the oldest precedent for the canon dates back to the oil canon in 1976.

Initially the oil canon consisted in a 10% deduction of the value of total oil production in the department of Loreto for a 10-year period. Similar laws were then passed that stipulated canon resources for other oil departments that began to mobilize for this reason. Moreover, the population called on the government to ensure that funds from the canon remained in the department where the natural resource was exploited.

On the other hand, there is the mining canon which was created by the *General Mining Law* and has been modified on several occasions. The mining canon establishes that the government will transfer 50% of the total income that the Peruvian State obtains from mining activity to the regions and areas where the mine is located.

Regarding the other types of canon, it is worth saying that the forestry, gas, fishing and hydro-electric canon are relatively recent transfers. These have been executed as of 2002 in the case of the hydroelectric canon and as of 2003 regarding the other transfers within the so-called canon and the extra-canon.¹⁴ (See Annex 1)

The hydroelectric canon is composed of 50% of the income tax paid by companies that use water resources to generate electricity. The forestry canon is made up of 50% of the income that the National Institute of Natural Resources (INRENA) receives from companies taking advantage of forestry resources and wild fauna.

Finally the fishing canon is made up of 50% of the income tax and fishing rights paid by companies that carry out large scale fishing activities in maritime and continental waters (lakes and rivers). It is worth mentioning that, with the exception of the oil canon, the criteria used to distribute the other types of

¹⁴ Aguilar and Morales indicate that when the document was published (2005) the fishing and gas canon were not in effect, which is to say they weren't been collected. However, according to the MEF these transfers figure as executed.

canon use population variables, poverty and the infrastructure deficit in areas and/or beneficiary regions.

The consolidated data of intergovernmental transfers show that historically, over 11 years, Lima has received more resources than the other departments. After Lima, depending on the year that is observed come Piura, Puno, Cuzco and Cajamarca. This can be better appreciated in the following chart:

Chart N° 3

Departments with the greatest percentage distribution of Intergovernmental Transfers

Departamento	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Cajamarca	6.3%	6.4%	6.8%	7.5%	7.5%	7.6%	7.9%	7.5%	8.1%	10.2%	10.1%
Cusco	6.7%	6.8%	6.4%	6.2%	6.4%	6.6%	6.4%	6.1%	6.1%	7.4%	11.2%
Lima	20.6%	19.7%	19.4%	18.6%	19.2%	19.5%	19.1%	18.1%	17.0%	14.3%	11.6%
Piura	7.5%	6.7%	6.4%	5.9%	6.2%	6.5%	6.3%	5.9%	6.5%	7.7%	8.4%
Puno	6.8%	7.1%	8.4%	8.9%	7.6%	7.3%	7.5%	7.6%	8.6%	7.6%	6.9%

Source: MEF
Self elaboration

Regarding Lima, the principal transfers are given by FONCOMUN and the Glass of Milk Program. As was previously mentioned, the criteria for the distribution of these transfers are variables based on population (population density, population living below the poverty line, etc). The department of Lima, in particular the province of Lima concentrates the higher percentage of inter-government transfers based on the population density criteria.

In 1993 Lima concentrated 29% of the national population while in 2005 it concentrated 29.9% of the national population.¹⁵ As a result, in order to avoid hasty conclusions, it is relevant to use the population variable as a control variable to analyze the distribution of the transfers. Lima concentrates nearly a third of the Peruvian population and as it has, together with the Constitutional Province of Callao, the greatest population density¹⁶. As a result, transfers such as the Glass of Milk and FONCOMUN are high compared to the rest of the departments with a smaller population and a lower population density.

Something that can be observed with this trend, according to chart No. 4 is that Lima has been losing ground regarding the reception of intergovernmental transfers. Greater resources have begun to be transferred to departments like Moquegua, Piura, Cajamarca, Puno and Cuzco. This trend can be better appreciated as of 2002 and 2003, years when the economic transfers have increased due to

¹⁵ INEI. Results of the National Census carried out in 1993 and 2005.

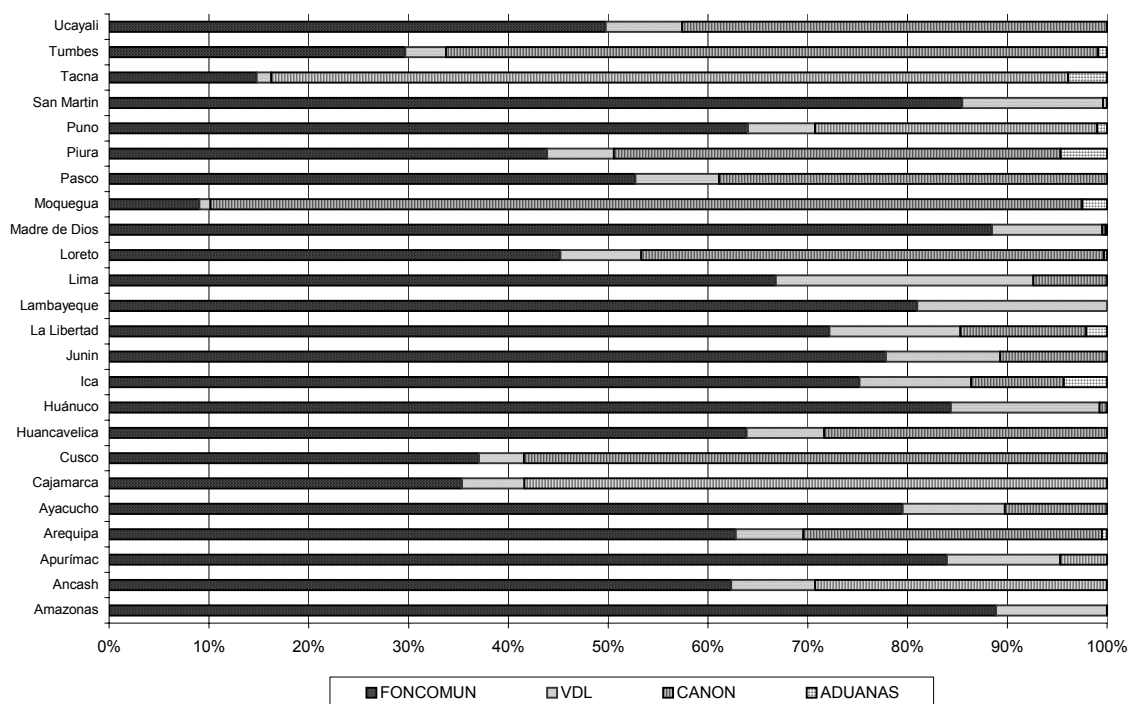
¹⁶ In 1993, Lima had 230.25 inhabitants per square kilometer and Callao had 5523.70 inhabitants per square kilometer.

the economic growth in the country and the increase in State income. This could be the sign of the beginning of greater decentralism of public spending. (See Annex 2)

One opposite case is that of Madre de Dios, which according to the historic calculations, has the lowest number of transfers between 1995 and 2005. Madre de Dios has the lowest population density in the nation. Therefore, in order to measure the decentralization among departments, according to inter-government transfers, it is important to consider this variable.

Graph N° 14

Importance of each type of transfer by department 2005



Source: Economic Transparency. MEF
Self elaboration

According to Graph No. 4, the main transfers granted local government by the central government is FONCOMUN. The exceptions are the departments of Cuzco, Cajamarca, Tumbes, Tacna and Moquegua, that receive a larger amount of resources because of the canon.¹⁷

¹⁷ All types of canon were added up to obtain a single figure of canon transfers.

3. Measuring departmental collective action: potential and limits

Where is the collective action in the country concentrated? Where are there more difficulties to organize regional collective action? There are questions we will explore in this part of the work. According to the data base, there have been 436 acts of meso collective action during the 1980-2005 period. The departments have been grouped in three areas, based on the impact this collective action has had in territorial areas. As a result, we have departments with high, medium and low collective action.¹⁸

Chart N° 5

Departments according to number of collection actions

Alta acción colectiva	Mediana acción colectiva	Baja acción colectiva
Lima	Arequipa	Pasco
Cusco	Huánuco	Tacna
Puno	Junín	La Libertad
Loreto	Moquegua	Amazonas
Áncash	Ucayali	Madre de Dios
San Martín	Lambayeque	Ica
Cajamarca	Huancavelica	Tumbes
Piura	Ayacucho	Apurímac

Source: Collective Action Data Base
Self elaboration

According to chart No. 5 Lima has the highest level impact of collective action and this concentration could also bring favorable consequences for the rest of the country. For example, a policy could be implemented that is favorable for the municipalities of Lima and is then extended or replicated to the rest of the municipalities in Peru. One example is the Glass of Milk program that was subsequently completely decentralized.

¹⁸ Regarding this classification it is important to mention that based on the constructed data we broke down multiple collective actions, which is to say those mobilizations that involved more than one province or province or department in order to give a better idea about the participation of each department over the total number of registered collective actions. At the same time, the ordering of the departments in each group of classification corresponds to a descending order, which is to say the first department in each group is the one that registers the highest number of collective actions while the last one registers the least number of collective actions during the 1980-2005 period.

If the map of Peru could be divided into a political map, traditionally the south, above all Cuzco, Puno and Arequipa have been one of the most important areas regarding collective action. It is worth noting that in Puno and Cuzco, collective action is not only carried out in the area of regional development but also on a smaller scale, for example, the organization of the population to take measures in the face of theft, rape and assault and a failure to fulfill socially established norms.

In the case of Arequipa, Cuzco and Puno collective actions have been related to the existence of broad-based movements and fronts, which have led important mobilizations to demand greater decentralization in favor of those departments. The increase of public investment in those departments, protection for agriculture through a public system of incentives and the capacity to decide about resources in an autonomous manner have been the most important motivators of collective regional action in these three departments.

At the same time it is important to indicate that in the case of both Puno and Cajamarca the social movements that emerged after the privatization process present relevant cases of collective action specifically linked to mining activity. Three cases have been emblematic: One is the Manhattan mining in the San Lorenzo agricultural valley in Piura, which finally was unable to begin operating in the zone due to the opposition and mobilization of the population; another is the Majaz mine in Piura where there has been conflict between the peasant farmer defense patrols and the company due to environmental and water issues and the other involves the Yanacocha gold mine in Cajamarca, where the population confronted the company over exploration on Cerro Quillish, the water source for the city and the company was unable to begin the project.

The case of Cajamarca and Piura are similar in terms of the area of collective action. Traditional peasant farmer self defense patrols operate in the highlands of both departments, initially created to combat cattle rustling, but due to their success in this area, they have extended their role toward public order and justice. These defense patrols have been recognized by law.¹⁹

On the other hand, there are departments where the incidence of collective actions is extremely low like the case of Apurimac, Tumbes, Ica, Madre de Dios and Amazonas. One important reason to explain this situation is the existing population dispersion, which makes the organization and mobilization of the population at a local and regional level more difficult. Another reason is the strong internal social differentiation, in particular in the case of Ica.

¹⁹ See the document on "Acción colectiva, violencia política y etnicidad en el Perú", in particular the analysis of the Bambamarca case.

4. Conclusions and reflections

Collective action linked to the decentralization process in Peru is impregnated with strong regional and local demands. It is the regional movements and fronts that have spearheaded collective action against the general policy of the central government when this is perceived as contrary to the population and interests of the regions. These, the regional movements, have been the main actors and this lack of conformity with centralism has been the fundamental motivation for collective action with important political and organizational implications.

This discontent with the policies and manifestations of the central government has been the main cause of collective action at a meso level during the 1980-2005 period. For this reason, it has had a principally reactive character, but is basically non violent and constructive in nature, incorporating mobilization, participation and negotiation. We can also say that in the heart of the analyzed collective action is a strong demand for political and economic decentralization.

With political decentralization, power is also no longer concentrated in the central government but moves to other levels of government. As a result, collective action can be efficiently channeled through bodies that are closer to the population; giving rise to participation. In this way the conflicts that emerge due to centralism can decline and the problems that emerge can find institutional channels to resolve them or can be channeled toward the decentralized governments themselves.

The country is currently at the beginning of this decentralization process, with recently created regional governments and an increase in the transfer of specific resources from the central government to sub-national governments. Several of these transfers were initially achieved after collective action, such as the canon and the Glass of Milk. These have been institutionalized in the national budget and have advanced toward local and regional governments.

Given the heavy concentration of fiscal income and spending in Peru, the increase of inter-government transfers observed over the past 10 years constitutes an initial indicator of fiscal decentralization; but it also represents a challenge for those who receive these resources (municipalities and regions) to ensure that they used efficiently and to promote development in territorial and population areas of sub-national governments.

One of the problems of collective action is that it is concentrated in departments that have strong regional movements and organizations (Arequipa, Cuzco, Puno, Loreto, Cajamarca and Piura) or more organized populations (Lima). The response capacity through constructive collective action frequently depends on the

strength of regional and local identities that are more marked in these departments. As a result, it is very difficult to carry out national and sustained lobbying, above all with organizations that represent poor populations. Political parties are too weak to carry out these tasks that socially correspond to them.

However, in departments with low collective action (Aurimac, Tumbes, Ica, Madre de Dios, Amazonas, etc) it is worth exploring whether the progress in decentralization achieved in other departments, given that the resources and incentives are distributed with criteria that cover everyone, can forge local skills, strengthen identities and local and regional leaderships, in order to make possible an efficient process of decentralization that promotes development.

One perspective of investigation and public action is to evaluate in greater depth the participation experiences in local and regional areas whether these are through electoral processes to select joint councils or to elaborate budgets for sub national governments or demands to ensure that the political authorities of these decentralized governments render accounts.

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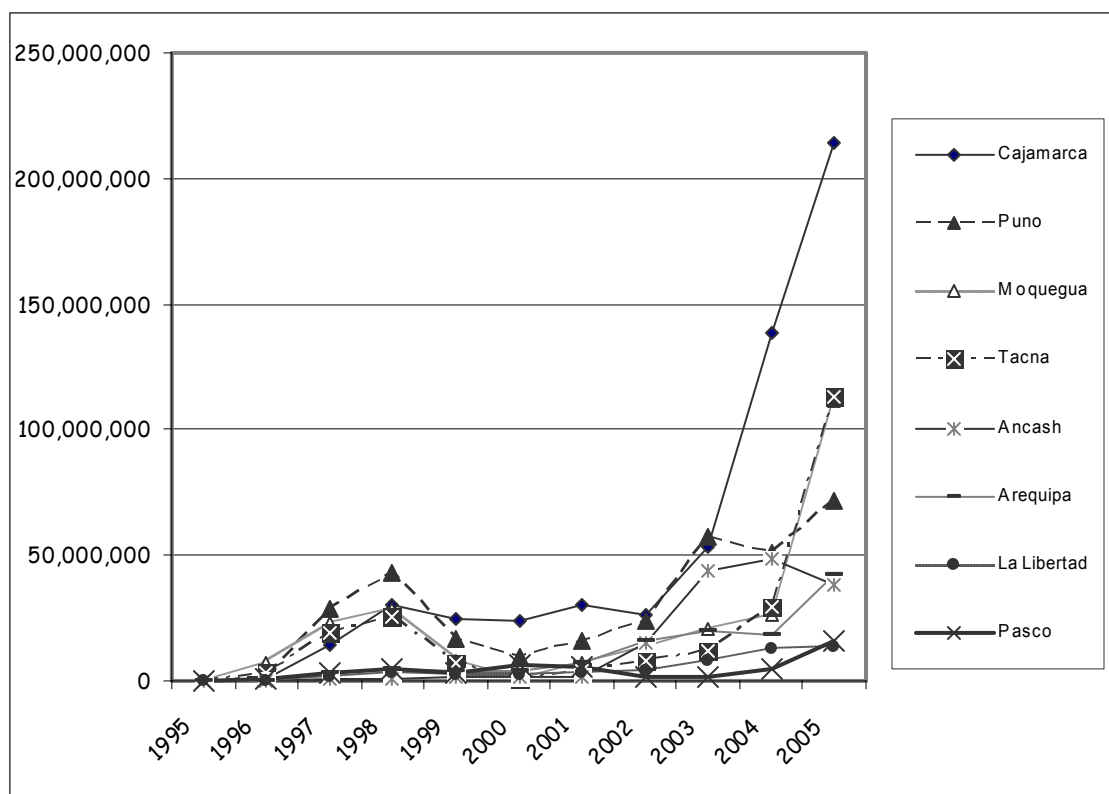
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ANNEX 1

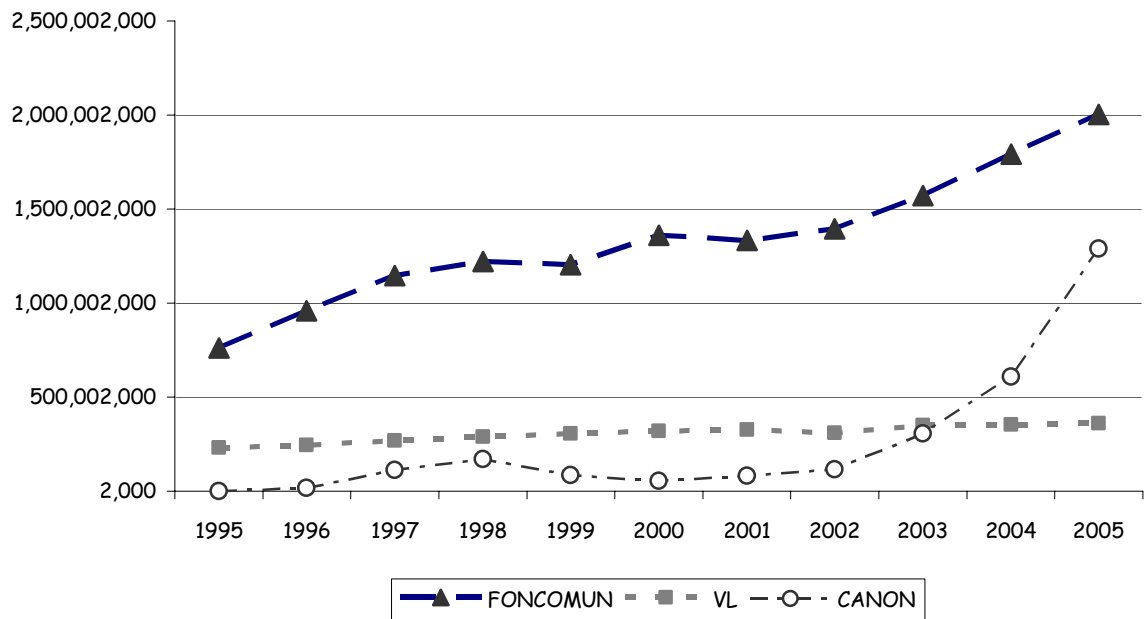
Mining Canon By Department 1995-2005



Source: Economic Transparency. Finance Ministry of Peru
Self elaboration

ANNEX 2

Intergovernment Transfers 1995-2005



Source: Economic Transparency. Finance Ministry of Peru
Self elaboration