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## Participatory budgeting in Villa El Salvador

by MICHAELA HORDIJK

### Introduction

Villa el Salvador – a poor district of roughly 300,000 inhabitants in Southern Lima – is famous for its tradition of ‘self-management’ by the population. Villa El Salvador is the result of a massive invasion in 1971. The left wing military government of that era relocated the squatters to a desolate empty desert area, 32 kilometres from the city centre. There was nothing but sand, and the promise that this would become a prosperous satellite city of the capital. For the left wing dictatorship, Villa El Salvador had to be the role model for the country, demonstrating self-management by the population, so the government set up a system of popular participation. Housing blocks elected representatives, which together formed territorial-based councils, the ‘self managed communities of Villa El Salvador’. These neighbourhood leaders had a say in the allocation of the investment budget in various modalities throughout the history of Villa El Salvador.

In 1976 the first urban development plan was developed, under the lemma ‘Factories first, then houses’, indicating: first employment opportunities, then the basic needs. In the period 1986-1988 a second urban development plan was formulated, under the lemma ‘Villa El Salvador: Productive City’. In 1999 a young mayor was elected. He considered it a priority to formulate a third development plan of the district, and to

do so in a participatory manner in order to strengthen the social ties and organisational culture, and transform the relations between local government, the private sector (micro-entrepreneurs) and the population.

### Martin Pumar (31), Mayor of Villa El Salvador

*‘It is my objective to create a new leadership. Villa El Salvador has a long history of leadership, but we do need new people, we do need a transformation of leadership. Here it helps that I myself am young. When the people see me, they say to themselves: “okay, if the mayor is young, we can also have other leaders that are young and new”. We need a leadership that strives for peace, tolerance, democracy. Many people think that since the terrorist violence is over, violence is over. But in daily life there still is a lot of violence: domestic violence, violence in the streets, violence of the youth gangs.*

*The most important feature of this leadership is that they should have a shared vision of the future. They should be able to dream a future city. And secondly I think it is of utmost importance that we form a new leadership capable of governing the city. That is a profound change when compared to the old leadership. Community leaders so far are demand-making leaders. They are used to claim, to protest, a culture of confrontation. So if there is no drinking water, they organise marches to demand drinking water. If there are no employ-*

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ment opportunities, they march to demand employment generation. But times have changed. What we need now is no longer the constant confrontation between citizens and authorities. We need leaders willing to take responsibility for our city, that come up with development proposals. Of course leaders are there to demand, to ensure that the citizens' rights are respected. But the other side of the coin is that there are not only rights, but also obligations. We all – citizens, entrepreneurs, NGOs, authorities – have to consider ourselves protagonists of change, with a shared responsibility to develop our city.

To be able to be such a leader also requires a profound mental change. We are used to seeing our leaders as Superman. A mayor is supposed to be a superman, we are supposed to own the truth, to solve all problems, and that we can do whatever we like, take our own Superman decisions. Today leaders have to be different. We have to recognise our limitations, we have to be able to confer, we have to be able to guide a team of different people with different opinions. We have to understand now that differing opinions do not mean that we cannot work together, and that despite our differences we have common goals that unite us.

This common goal is expressed in our urban development plan. And our process of participatory budgeting is a tool in this process. It is very important to understand the participatory budgeting as a means, not an end in itself. With our urban development plan we - Villa El Salvador – formulated our shared vision of the future. With the participatory budgeting we not only invite the inhabitants to take part in the decision-making process, but more importantly we invite them to take up their own responsibilities, to become co-governors of our city.

It is a process of learning by doing. We of course do still face serious limitations in the process; we have to continue to improve it. One of the most important limitations we face is that with our current process we basically reach the community leaders, not all the inhabitants. Since we work with community representatives, we depend on them to involve their neighbours. A second problem is the short-sightedness of the leaders, who are not yet used to their co-governing role. For a neighbourhood leader it is very hard to look beyond the boundaries of his own neighbourhood. He struggles to

improve the situation in his neighbourhood, if he manages to get his project, for instance a kindergarten in his neighbourhood accepted, he feels he has won, and he will be re-elected and respected by his people. It is far more difficult for him to see, for instance, the paving of a major road five blocks away as contributing to the development of the city – including his neighbourhood. As a consequence of this short-sightedness the vast majority of the projects the people decided upon are very small, neighbourhood based: playgrounds, roofs for community centres, kindergartens and the like. Dispersed investments without a major impact. There are some neighbourhoods where they managed to develop a joint proposal: the preparation of a project for the construction of drinking water and sewerage connection, the paving of a principal road. But these are exceptions. That is why we put only 30% of our investment budget in the participatory budgeting. Of course we want to increase this percentage in the years to come, but we have to do so little by little, educate the leaders, transform the leadership the way I told you. For the time being investments with a sector wide or citywide impact still have to be made by the municipality.

A third problem is the structure of the process. We have two different sets of decision-making fora: the territorially based and the thematic. Our thematic round tables are: healthy cities and the environment; youth, education and culture; micro enterprises; commerce; gender. The problem is that they function as parallel structures, without any linkages. The thematic round tables are basically for the formulation of general policy guidelines, and are less implementation oriented than the territorial fora. But the formulation of policy guidelines on certain themes becomes a somewhat theoretical exercise with few practical implications if they are not linked to territorial planning.

A fourth serious limitation is an internal one: the municipal structure and bureaucracy is not yet capable of dealing with the changes. Firstly, participatory budgeting implies relinquishing power, including the everyday power of councillors and municipal workers. Personal favours, client relations are part and parcel of our municipal culture. So there is a resistance in the municipal apparatus. Yet even for those who understand and support the change it is not easy. All of a sudden urban development receives tens of project proposals to be implemented, where the municipality has to develop all the technical plans. We do not have sufficient technical capacity to attend all. There the support of NGOs is extremely important to us. The more we can work together with them, the better it is for the implementation of the projects approved under the participatory budgeting.

So, we still face many problems in the execution of this

new policy. Nevertheless I am confident of the process. It is legally laid down in a municipal law. It is internalised by many people. It will not be that easy for a new municipal government to set the clock back. In the first round there were many neighbourhood leaders who did not bother to participate. They did not believe that we would really do it. But in the second round they were almost all there, and now at least most of the leaders consider it as their right. That can not be reversed that easily.

I have a very powerful image that guides me. Some years ago I visited a very special church in New York. It was a church where everything was square. The church was square, the doors, the windows were square, the flagstones were square. It was a space designed to be as objective as possible. And the people praying there were from all different religions: Catholic, Buddhist, Hindus. This was a religious house for everybody. The square is a perfect and balanced figure. People with all different backgrounds can enter this house and encounter that in the end they strive for the same perfection, embodied in this square. That is what I want my city to be: a house for everybody. Although we are different, we can share this house. So that is the metaphor I use: Villa El Salvador is our house, where everybody is important. We might have discrepancies, but we all have a role to play in the development of our city.'

### Vision and strategic objectives

The process started in February 1999. In a period of six months a series of 42 workshops were held, both with a thematic (10) as well as with a territorial (32) focus. Between 1800 and 2000 community leaders participated in these workshops. The municipality invited, NGOs facilitated. The results were summarised in five possible strategic objectives for the district's development. An NGO then organised an opinion poll, and 48,000 inhabitants of 16 years and older indicated their priorities. The process culminated in a conclave of the district, in which the outcome of the process was discussed with 200 representatives of the different community organisations that participated in the process. In the poll, the population decided the guiding objective of the plan, and in the conclave, their representatives approved the vision of the future (see box).

### Participatory budgeting

A third of the year 2000 investment budget (ca. Soles/2 million which equals ca. US\$570,000) was destined for the participatory budgeting process. Through this mechanism the municipality hopes to involve other actors in the 'urban development project', and increase accountability, transparency, and the legitimacy of local government. The philosophy is that the 'participatory investment budget' should not only

### Development Vision of Villa El Salvador for the year 2010

'Villa El Salvador is an organised district, a leading district, a district of producers, a district that generates wealth. It is a modern and healthy city, with men and women of different generations who have human values and equal opportunities for schooling and occupation, who participate in a democratic manner in governing their development'.

- A healthy, clean and green city .....	63.10%
- An educating city .....	40.65%
- A district of producers, generating wealth .....	34.60%
- A community of leadership and solidarity .....	24.63%
- A democratic community .....	20.72%

Number of votes: 48,119. Sum supersedes 100% since respondents could indicate various possibilities.

Source: Calderón J & Marulanda L Evaluación del Proceso Consultivo Ciudadano en Villa El Salvador, Lima, Peru SINPA-IHS, La Paz, 2001

come from the municipality, but that other actors (citizens, NGOs, private sector) also contribute with financial and human resources. The development plan is thought to function as the overall framework, and since it was developed in a participatory process, the other actors in Villa El Salvador are supposed to place their projects and activities within this plan. For the time being the financial resources come from the municipality, but for most of the communal projects the population contributes an estimated 20% of the project costs in the form of unskilled labour, materials and the like.

The municipality developed a formula to assign sums to the eight different territorial units (sectors) that had been identified for the formulation of the district's development plan. The most important criteria was the level of satisfaction of basic needs: the lower the provision of basic services, the higher the share of the budget. The two other criteria were the number of inhabitants and the level of tax paying. The more people paid the municipal taxes, the higher the share in the participatory budget. By doing so, the municipality wants to stimulate people to pay their taxes.

The participatory budgeting system started with an awareness-raising campaign, in which a series of theatre plays proved the most effective communication strategy. Inhabitants were motivated to participate in the neighbourhood meeting where the priorities for the different zones are set. In the neighbourhood meetings the population is supposed to decide on their own contribution to possible projects. Decentralised municipal agencies provide technical assistance in this process.

The organised community appoints a representative to present their proposals at the level of the 8 sectors, where in workshops the delegates have to select 10 projects that are considered to be of high priority, technically and financially

Projects approved under the 2000 participatory budgeting round		
Total budget per sector	Project	Budget
Sector I S/227,788	Improving kindergartens Furniture kindergartens	S/162,620 S/ 65,148
Sector II S/247,353	Roofs for 6 kindergartens Improving 2 kindergartens	S/101,691 S/145,661
Sector III S/256,194	Roofs for 5 kindergartens Improving neighbourhood parks, public toilets	S/136,392 S/119,801
Sector IV S/254,666	Pavement of major road Construction of a park	S/210,105 S/ 44,560
Sector V Agricultural area S/285,621	Roofs for kindergartens Construction of 3 playgrounds Improving roofs of kindergartens Feasibility study irrigation project Cadastral project agricultural zone	S/ 15,749 S/117,690 S/ 56,681 S/ 70,500 S/ 25,500
Sector VI S/338,437	Roofs for 6 kindergartens 2 kindergartens Improving roofs and windows kindergartens	S/161,386 S/145,988 S/ 31,062
Sector VII, IX & others S/213,648	Project proposal Water and sewerage 2 kindergartens 2 kindergartens	S/ 38,000 S/ 94,410 S/ 81,238
Other settlements S/205,766	Provisional access roads Additional projects to improve access Topographical study Project proposal water and sewerage	S/141,712 S/ 31,621 S/ 7,983 S/ 24,449
Total		S/2.029,475 <sup>1</sup>

<sup>1</sup> US\$ dollar equals ca. S/. 3.45

Source: Chambi, G & Marulanda L Desarrollo Local con Gestión Participativa: Presupuesto Participativo Villa El Salvador, Peru, SINPA-IHS, La Paz, 2001

feasible, and where the population indeed can contribute 20% of the project costs in cash or labour. In a district wide assembly – constituted of the territorial delegates, representatives of the thematic round tables, the mayor and the councillors – the final decision on budget allocation is taken.

In July 2001 the Council approved a Municipal Law that institutionalised the process of participatory budgeting in Villa El Salvador and gave it a legal basis in the municipal budgeting and planning.

### Conclusion

The participatory budgeting process in Villa El Salvador is considered an instrument in the implementation of the urban development plan. This does distinguish it from other experiences, where a process of participatory planning does not precede the process of participatory budgeting. It is however important to note that speaking of an 'urban development plan' for Villa El Salvador is painting a too rosy picture. The actual plan – with strategies, programmes, projects, planning and budgeting of implementation – does not yet exist. The actors of the different thematic round tables are called upon to develop the detailed version of their part of the plan in a joint effort by the municipality, citizens, NGOs, entrepreneurs and other actors, but so far only the commercial sector has taken up that challenge. It will take at least several more years before the ideal of the mayor – a development plan as the outcome of a series of participatory processes, the implementation of which is founded on a process of participatory planning where the citizens decide on the allocation of investment budgets and all actors in the district feel themselves protagonist of the district's development and commit themselves, even financially – will come somewhat closer. Despite the fact that it is easy to point out weaknesses in the process, it certainly can be considered an innovative experience in participatory local governance.

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#### NOTES

Dr. Michaela Hordijk is a researcher at the Amsterdam Research Institute for Global Issues and Development Studies (AGIDS), University of Amsterdam, and vice-president of the NGO Aynimundo, supporting the municipality of Villa El Salvador in the implementation of the projects approved under the participatory budgeting.