

**Local Level Democracy
and Decentralized Development**
The Case of Bolivia's Popular Participation Plan

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Ley de Participación Popular Artículo 1º Objectos

La presente Ley reconoce, promueve y consolida el proceso de Participación Popular articulando a las comunidades indígenas, campesinas y urbanas, en la vida jurídica, política y económica del país. Procura mejorar la calidad de vida de la mujer y el hombre boliviano, con una más justa distribución y mejor administración de los recursos públicos. Fortalece los instrumentos políticos y económicos necesarios para perfeccionar la democracia representativa facilitando la participación ciudadana y garantizando la igualdad de oportunidades en los niveles de representación a mujeres y hombres.

The present Law acknowledges, promotes, and consolidates the process of Popular Participation, incorporating the indigenous and rural communities and urban neighborhoods in the juridical, political, and economic life of the country. It is aimed at improving the quality of life of the Bolivian women and men, through a fairer distribution and better administration of public resources. It strengthens the political and economic means and institutions necessary for perfecting a representative democracy, facilitating the citizens' participation and guaranteeing equality of representation at all levels between women and men.

Introduction

Participación Popular (Popular Participation) is a phrase in Bolivia which has recently begun to permeate all levels of society and all corners of the country. The revolutionary and controversial Popular Participation Law (*Ley de Participación Popular*, LPP) is the most successful part of neoliberal President Gonzalo Sánchez de Lozada's eclectic *Plan de Todos* (Plan for All). The LPP, criticized by the opposition and highly praised by the international community, has the potential to incorporate Bolivia's marginalized populations into political and economic development process.

Following over twelve years of debate on decentralization, twenty-two previous bills, and a massive media blitz the Law of Popular Participation was passed on April 21, 1994 (Rojas,1). The government refers to Popular Participation as administrative, political, economic, and fiscal decentralization (Rojas, 2). The LPP divided Bolivia territorially along the lines of provincial sections, thereby putting all of Bolivia's territory under the political-administrative control of 305 newly created municipalities which were endowed with provisional boundaries (USAID1, Annex 1). The new municipal boundaries replaced 1,100 redundant local governments (USAID1, 9). Each municipality is now responsible for infrastructure and development related to education, health, irrigation, sports, culture, and local roads and receives coparticipation funds (central government-controlled national tax revenues) to fulfill these needs. It is said that the technical

team in charge of the law, headed by no less than the President of the Republic, dedicated 300 hours of sessions to the law and that Congress held 450 meetings around LPP (Grebe,10-11).

In addition to dividing Bolivia along the sectional level, the law provides for the legal recognition of urban *barrios* and rural and indigenous communities as Territorially Based Organizations (*Organizaciones Territoriales de Base*), known as OTBs, and establishes oversight boards known as *comités de vigilancia* (vigilance committees, CV). The OTBs are charged with identifying, prioritizing, and supervising public works and services in a process known as Participative Municipal Planning (*Planificación Participativa Municipal*), while the CVs ensure that the prioritized projects are considered in the Municipal Development Plans (*Planes de Desarrollo Municipal*) and provide transparency to the municipal budgetary process (Ramírez, L, 2, Ardaya 1996, 2 and Molina 1997, 1). (See Appendix 1)

LPP and the People's Empowerment

The passage of Bolivia's Law 1551, commonly known as the Popular Participation Law, or its Spanish acronym LPP, is part of a group of six key reforms passed since the new Sánchez de Lozada administration came to office on August 6, 1993. Gonzalo Sánchez de Lozada of the Movimiento Nacional Revolucionario (Revolutionary Nationalist Movement, MNR) party is known as the architect of the 1985 draconian neoliberal reform plan which tamed Bolivia's 26,000 percent hyperinflation. The other reforms which make up part of the MNR-MRTKL's (*Movimiento Revolucionario Tupac Katari de Liberación* Tupac Katari Revolutionary Movement of Liberation) eclectic *Plan de Todos* (Plan for All) campaign are the Cabinet Restructuring Law, the Capitalization Law, the Educational Reform Law, Constitutional Amendments Law, and the Administrative Decentralization Law. Together they form a modernization program which has been likened to the sweeping reform promulgated by the MNR after the 1952 National Revolution (USAID1, 5).

Bolivia's history of confrontational politics has stood in the way of its consolidation of democracy. Populism, clientelism, and dictatorships have led to a Bolivian political culture of direct action forms of protest such as strikes, blockades, work stoppages, hunger strikes, marches,

and takeovers. Years of such behavior have led civil society to believe that these are the only valid forms of participation. Since the transition to democracy in 1982, political parties on the national level have begun to repudiate these methods, but local leaders and labor unions continue to rely upon these tactics to contest government action, especially the imposition of economic austerity and counter narcotics measures. It is the job of popular participation to improve the standard of living of the poor and traditionally marginalized sectors by incorporating them into the decision making process thereby eliminating this disruptive behavior (USAID1, Annex J). The National Director of Municipal Strengthening of the National Secretariat for Popular Participation specifically targeted the eradication of populism and prebendism as goals of the LPP (Ardaya, 18). A secondary goal of LPP is to remove all traces of authoritarian behavior and replace it with a participatory democracy based upon consensus politics at all levels of society and government.

According to the 1992 Census, 70.5 percent of the Bolivia is poor, including 95.1 percent of the rural population and 52.6 percent of the urban population (Medina, 7). Bolivia has the lowest life expectancy (61.8 years in 1994), the highest infant mortality rate (81.4/1,000 in 1994), the least years of schooling (4), and the worst Human Development Index (122) of its neighbors (Grebe, 16). Worse yet are the indicators of internal inequality. For example, the infant mortality rate in 1992, was 62/1,000 in the urban areas and 100/1,000 in the rural areas; 81 percent of urban dwellers had access to potable water in 1992 compared with only 19 percent of rural families; and, finally, 9 percent of city dwellers are literate compared to 37 percent of the rural population. The intra-regional inequality, as well as internal differences in standard of living, have promulgated migratory flows, both international and rural-urban in nature. The 1992 Census, which is generally acknowledged to have under counted the rural population (unions ordered peasants not to be counted fearing that the census would be used for tax purposes - ironically the opposite occurred, as municipalities now receive money on a per capita basis), indicated that 57.5 percent of the population live in urban areas (defined arbitrarily as cities of more than 2,000 inhabitants). One estimate suggests that by the year 2000, 85 percent of Bolivia's population will live in urban centers with populations greater than 100,000. Santa Cruz and El Alto, for example,

are expected to double their population in ten years (Grebe, 18). Clearly this tendency is not sustainable. Many in the government and elsewhere suggest that LPP was designed to offset this migratory trend (Grebe, 18-9, Menacho, Ramírez, C.). However, others suggest that it was not a primary motivation, nor will providing water, extra school rooms, soccer fields with LPP money prevent unemployed people from migrating to urban centers in search of work (Mayorga, Arce).

Redistribution of Coparticipation Funds:

Bolivia's nine departments are geographically and culturally diverse. Bolivia has three official languages: Spanish, Quechua, and Aymara; additionally Guarani is still spoken in the Chaco near the Paraguayan border. The country can be roughly divided into three regions: the altiplano, the valleys, and the plains (*oriente*). Each area has different resources and economies and have traditionally engaged in a zero sum political and economic rivalry. Potosí, the world famous mining town during the colonial period, provided the income for the southern city of Sucre to lead the country. At the turn of the twentieth century the south was replaced by the north with La Paz as the new power center. Since the April Revolution of 1952, Santa Cruz in the *oriente*, led by agricultural revenue and reinvested drug money, has become La Paz's rival power center and the country's second pole of development.

Prior to LPP most of the Bolivian treasury's coparticipation funds were invested along an invisible line running west-east from La Paz through Cochabamba to Santa Cruz. In 1993 these three developing metropolitan areas received 90.8 percent of government coparticipation funds. In the same year 93 percent of these funds were directed toward cities, while only 7 percent were directed to the rural area. Coparticipation funds accounted for 10 percent of the national treasury's disbursements, with an additional 5 percent going to universities and 10 percent to the semi-autonomous Regional Development Corporations (RDCs). The RDCs funds were similarly distributed in an unequal fashion to departments, with La Paz and Santa Cruz receiving the largest quantities. However, due to *regalías* (royalties on natural resources), Santa Cruz, Chuquisaca, and Tarija receive sizable income from their petroleum holdings. The so called "Mineral Corporations" of Potosí and Oruro have diminishing *regalías* due to the world wide decline in

mineral prices; while natural resource poor Pando is entirely dependent upon national treasury transfers (World Bank1, 86-7).

With the change in the distribution of coparticipation funds mandated by the Popular Participation Law, funds are now being distributed on a per capita basis according to the 1992 Census. The change in distribution can be seen below in Chart 1. The funds account for 20 percent of the national budget and in 1994 were approximately US\$22.00 (Bolivianos 108) per resident. This compares favorably with the average US\$14.77 distributed between 1989 and 1993, which ranged from a high of US\$24.01 per capita in La Paz to US\$1.50 in Potosí. (Grebe, 29, USAID1, 9, *Informe R No. 296*, 4). The average 1995 municipal budget is about US\$420,000, while the median budget is about US\$160,000 per year. Municipal coparticipation funds account for 20 percent of the national treasury's expenditures, or approximately US\$144 million in 1995 (USAID1, 7,9). The LPP mandates that 90 percent of the coparticipation funds be directed towards investment, leaving 10 percent for administration, which is a source of complaint among many cash strapped municipal governments.

Chart 1: Change in Departmental Capitals' Coparticipation Funds in Bolivianos
(US\$=Bs 5.25)

	Population	Under Old System ('93)	Under New System ('94)
La Paz	713,378	102,280,333	78,871,394
Santa Cruz	597,278	50,217,530	59,234,107
Coche	407,825	30,093,402	36,106,653
Oruro	183,422	5,595,376	13,695,755
Potosí	112,073	1,215,045	7,822,419
Sucre	131,769	6,030,992	10,357,732
Tarija	90,113	2,539,234	7,901,232
Trinidad	57,323	517,323	3,974,552
Cobija	10,801	128,511	703,883

Source: *Unidad de Participación Popular* in Grebe, 22.

These coparticipation funds includes the 10 percent which was formerly assigned to the quasi-governmental RDCs which are being downsized and retooled to strengthen municipal

capacity in accordance with popular participation and coordinating departmental infrastructure projects (USAID1, 11). The Administrative Decentralization Law passed on July 28, 1995 was to entirely eliminate the RDCs by 1996. However, some corporations faced with the loss of their funding entered into joint endeavors with the municipalities which lacked sufficient technical personnel; the municipality “contracted” the corporation to implement various rural development projects solicited by the OTBs and transferred the necessary funds to the corporation (Proyecto de Desarrollo Agropecuario Cotagaita San Juan del Oro). Additionally, a Departmental Compensation Fund was created for poorer departments, such as Pando, to raise their level of income (USAID1, 8). An additional 5 percent in coparticipation funds still goes to the university system, again, on a per capita basis. The remaining 75 percent is for costs incurred by the central government.

Eighty percent of the municipalities which received money in 1994 had never received any money from the national treasury. For example, as seen below, in the department of Potosí, the capital of the same name has about three times the population as Tupiza and Puna, yet in 1993 Potosí received approximately ten times the amount of funds that Tupiza received, while Puna received nothing. Compounding the intra-departmental inequality in funding was the inter-departmental inequality. This can be seen in the numbers for La Paz, which were ten times higher than those for Potosí, despite being barely six time larger.

Chart 2: Coparticipation Funds in Current Bolivianos

City	Population	1993	1994	1995	1996	1997
Potosi	123,381	1,094,702	6,385,703	12,557,111	15,792,992	18,843,596
Tupiza	40,092	105,915	1,895,051	4,145,638	5,141,501	6,123,126
Puna	42,660	0	1,849,225	4,233,870	5,442,715	6,515,329
La Paz	715,900	107,985,486	74,951,213	75,871,656	91,298,210	109,337,178
Per capita		0-150	43-104	99-105	128	152
Inflation		9.31%	8.52%	12.58%	8% estm.	6% estm.
Exchange Rate		4.13	4.52	4.69	5.20	5.25

Source: National Secretariat for Popular Participation, www.snpp.gov.bo/Cop-pts.htm and www.snpp.gov.bo/Cop-lpz.htm, IMF, 125, and www.bizinfonet.com/bolivia-pensions/economy/economy.htm.

In 1994, 54 percent of coparticipation funds were to be directed towards cities, 45 percent towards the provinces, and the remainder to the university system. The three major cities' share was 74.9 percent, down from 90.8 percent before the reform, while the rest of the municipal governments received 25.1 percent (*Informe R No. 296*, 4-5). With the transfer of responsibilities for infrastructure development and maintenance, some municipalities, especially those who were previously favored, will end up with less purchasing power in the short run. However, the increase in national treasury collections has meant an increase in coparticipation funds for the municipalities, which receive a steady 20% of the national revenues. Even discounting for inflation which averaged approximately 10% this can be seen in the rising rates in Chart 2. Also of note is the equalizing of the per capita expenditures between municipalities, which by 1996 were equal. Additionally, the LPP gives municipalities the power to tax motor vehicles and real estate to augment their budgets and municipalities are encouraged to invest coparticipation funds in productive (income generating) projects. In all but one of the cities that I visited, the municipality had either computerized their tax lists or were in the process of doing so. The Administrative Official in Coroico (La Paz) proudly told me that all 3,000 urban residents were already in their computer. In Tupiza (Potosí) the military was cooperating in hand registering names and property of all citizens to be later entered into their computer system. And in the city of La Paz television was bombarding the residents with advertisements of the upcoming registration campaign to be conducted by university students working in conjunction with the municipality. In the city of Tarija (where the municipal government is of the opposition and known to be hostile towards Popular Participation), despite an increase in their coparticipation funds, there was no sign of registry. In fact, the local official I interviewed did not want to talk about Popular Participation, nor did he appear well versed in it. On the contrary, the representative in the Prefect's office (part of the central government) could not have been more eager to talk and boast of rural Tarija's (outside the capital's municipality) successes with Popular Participation.

Municipal Governments:

The number of municipalities has risen to 308 as three “forgotten/unknown” sections were discovered in old documents (*Ministerio de Desarrollo Sostenible y Medio Ambiente* 1,2).¹ Prior to the LPP only a limited number of provincial capitals had functioning municipal governments. With the LPP, Article 203 of the 1967 Constitution is finally being enforced: municipal jurisdictions are finally being determined and local governments established (USAID1, Annex I). Interestingly, two municipalities legally exist on paper, but the 1992 Census recorded no inhabitants (USAID1, Annex 1). The most populated municipality is that of La Paz with 724,000 residents. The statistical average for population is 21,000; however, the majority of municipalities are rural in nature. Therefore, the mean population of 8,400 is a more accurate indicator since 51 percent of the municipalities have populations less than 8,500. Approximately one-third of the municipalities have populations under 5,000, which is the minimum number required to access coparticipation funds. Communities with less than 5,000 inhabitants are encouraged to join together to form commonwealths (*mancomunidades*) in order to have a popular participation bank account (USAID1, Annex I, and Article 22 LPP).

In 1995 2,295 projects were completed with Popular Participation funds, the greatest number of which related to education, but, measured by quantity of money invested, sanitation rivaled education. Approximately 80 percent of the funded projects related social and basic services. Only one project was related to the environment, a reforestation project. The level of investment in productive infrastructure (12.2 percent) and productive projects (6 percent) was also low and therefore, little income was generated for the municipality to sustain the process. In 1996 9,390 projects were planned (*La Razón*, 18 mayo 1995, A11 and Ardaya 1996, 2-3).

¹ The number of municipalities differs in various publications. It ranges from 311 according to Dr Carlos H. Molina S., Director of the National Secretariat for Popular Participation (SNPP) to 310 actual municipalities listed by the SNPP to 308 according the Ministry of Sustainable Development and Environment and Luis F. Ramírez V, Assitant Director of SNPP to the original 305 identified in the law.

Interviews with local and central government officials in the summer of 1995 indicated that popular participation was taking root far more readily in the rural areas than in the urban centers. There were more rural OTBs and Vigilance Committees than urban ones and there were more registered neighborhood groups in the marginal parts of the city than in the *casco viejo* (old city center). From a developmental point of view, this makes intuitive sense. The urban centers already have health and educational centers and basic utilities - water, electricity, sewerage, and telephones service. The rural areas, by comparison, lack almost all of these fundamental services and are therefore more motivated to band together to obtain these services. Additionally, many rural communities already have their own forms of local governance, such as Captains, Jilacatas, Curacas, Mallcus, and General Secretaries, which can easily be recognized by the central government (Article 3 of the LPP). The urban dwellers, on the other hand, have little incentive to organize at the local level. Furthermore, the large cities have a more entrenched political elite who are unlikely to willingly relinquish political power. Even the former President of La Paz's Municipal Council (*Consejo Municipal*) predicted that LPP will be a failure in the city (Quevado interview). However, many argue that as momentum builds, the remaining local governments who continue to oppose Popular Participation will be forced to support it by the populace who will demand the benefits from the now available funds (Guevara). This appears to have been the case if one is to believe the government statistics. As of March 1997 all the municipalities had Vigilance Committees and 92 percent of the total possible number of OTBs had been legally recognized (www.snpp.gov.bo/personerias/repeju1.htm). The geographical distribution of the recognized OTBs can be seen in Chart 3.

Chart 3 Percentage of Recognized OTBs out of Total Possible

Oruro	99%	Cochabamba	94%
Chuquisaca	99%	Tarija	92%
La Paz	98%	Beni	90%
Pando	95%	Potosí	89%
Santa Cruz	94%		(97% submitted to the Subprefect for approval)

Source: www.snpp.gov.bo/personerias/repju1.htm

An unexpected, but democratically desirable, outcome of the Law is the increase in rural leaders running for municipal office. The previously marginalized rural sector is now not only participating in its own community organization, but also in the newly established municipal governments (Ramírez, L, 3).

Popular Participation's Opponents

LPP has its critics and weaknesses. The powerful civic committees (similar to friends of cities groups) constituted by self appointed powerful businessmen looking out for their interests and those of their city are opposed to LPP. As non-territorially based, (and also non-democratic) groups they can not be officially recognized as an OTB. As a matter of self-preservation they are opposed to the legislation which actually benefits their cities.

Others contend that LPP is only a redistribution, rather than an increase, in funding. However, the rationale behind the law was to improve the equity of distribution of funds and increase participation at the local level, which should, in turn, improving efficiency. Furthermore, with increasing national treasury revenues, the coparticipation funds have increased over the years from US\$ 75.1 million in 1993 to US\$190.5 million in 1995 (Rojas, 2).

The main criticism of the actual implementation of the plan is that coparticipation funds are being distributed to all municipalities which have filed an annual operation plan with the central government, regardless of whether there is a functioning vigilance committee to provide accountability and transparency. This left these funds susceptible to corruption. And in the large cities where there were few OTBs, the use of coparticipation funds was left to the discretion of the mayor and municipal council, increasing the possibility of pork barreling. However, as previously stated all the municipalities now have vigilance committees, however, their effectiveness is still open to question. Also, there is a conflict of interest or job function between the local municipal council (*junta municipal/consejo municipal*) and the vigilance committee as both are designed to supervise the spending of municipal funds (Mariscal). There are also no provisions for remuneration for committee members.

Additionally, municipal governments are receiving a tremendous increase in coparticipation funds without adequate administrative or legal training. However, several contracts have been signed with USAID, the World Bank, and non-government organizations (NGOs) to provide this training in a replicable way. Additionally, a June 1995 survey of rural and provincial municipalities indicted 62 percent of the municipalities, many of whom did not even exist the year before, have between three and nine employees and 59 percent state that they have hired between one and three professionals (Rojas, 3). The central government's reaction to these criticisms is that rather than spend twenty years ironing out all the possible wrinkles of the plan, they preferred to pass the legislation and redistribute the funds to the people in an equitable manner. The problems will be worked out with time and in the interim something is being done to improve the lives of Bolivia's most marginalized populations.

The cynical interpretation of the whole issue is that if the funds are likely to be stolen at least they will be stolen or misused² by many on the local level rather than by a few at the central level - a pretty perverse redistribution! As the President said, " Even if they're drunk, they can't do a worse job than we've done."

Popular Participation has 70 percent approval ratings (Rojas, 2) and as the anecdote below shows, now that the rural population is being empowered, both economically and politically, they will not allow those powers to be taken away from them (Guevara, Ramírez, C.).

A mayor in the Amazons said, "Look, I am already old, and because of that I did not believe in the principle, and what's more, when they gave me the money the year before, a little before New Year's, I went quietly to the bank and with the permission of my advisors (*consejales*) withdrew all the money and guarded it in my house. Because in Bolivia nothing lasts and therefore I was afraid that at the beginning of the new year, the Law would disappear or was just a pure publicity show. Now I am convinced nobody will take it away from us. " (*La Razón* 18 mayo 1995, A11).

² The first project by many municipal government's is the renovation of the town hall [*alcaldía*] and the purchase of vehicles.

Promotion and Participation:

To promote popular participation and improve citizen awareness of the law, the Communications Department of the National Secretariat for Popular Participation in the Ministry of Sustainable Development has launched a dissemination campaign the likes of which Bolivia has never before seen. The campaign is designed to improve communication and understanding between the executive branch and the masses (*los bases*) who are to be empowered by this new law. The campaign is aimed at both the mass media and designated *interrogantes* (local communicators). The campaign includes many seminars, assemblies, workshops, and talks which have been organized around the theme of popular participation. Independent, as well as government, agencies have promoted the meetings and are responsible for the multitude of pamphlets, readers, bulletins, and discussion documents which are currently circulating throughout the country (Bustos, 5-6). A Miss OTB contest was even held in the remote municipality of Guayaramerín in the Beni. (*La Razón* 18 mayo 1995, A11).

In 1994, 200,000 copies of various publications were disseminated throughout the country by means of RDCs, municipal governments, the military, and OTBs. Instructions and books were distributed to 305 municipal governments, nine Prefects, and 112 Subprefects and 3,000 municipal employees were trained in seminars and courses (*Participar*, January 1995, 5). Everywhere I went I was given a different publication. The Communicator (*El Comunicador*), published by the Ministry of Social Communication to explain the reform package of the current government, is particularly impressive. Distributed in Sunday's newspapers and handed out free on the streets, the pamphlet, using a simple format and pictures to aid non-native Spanish speakers, describes the changes and regulations of the new legislation in a concise, practical manner. Also, the high quality, quantity, and accessibility of information available on the Bolivian governments' websites is worth noting (see bibliography).

Interestingly, even the military is involved in this new initiative to fortify democracy. The Bolivian Armed Forces, unlike their neighboring counterparts, have traditionally been charged with helping to develop the country and actively participate in public works projects. In an

extension of this principle new recruits are now routinely taught the intricacies of the LPP, so that when they return to their communities they can serve as experts on the law and further disseminate information (Balderrama).

Conclusion:

Bolivia's Popular Participation Law is indeed revolutionary and unique to Latin America. The citizens of Bolivia have for the first time been provided with the mechanisms, both political and economic, to participate in their own governance. The law has taken root in the rural areas and is igniting debate throughout the country. Not only are areas which never before received any federal funding receiving funds, they are now deciding how to spend it themselves. This is true participation, as opposed to the tokenisms and patronage which previously predominated federal expenditures. Despite the kinks in the program and the fund's susceptibility to corruption, the LPP is a step in the right direction.

The LPP appears destined to play a role not only in economic development, but in advancing democratic consolidation in Bolivia. Coupled with the new Administrative Decentralization Law, LPP has the potential to modernize the Bolivian State at municipal and provincial levels and empower and incorporate the less privileged parts of civil society in ways that would not have seemed possible a few years before. Both these historic developments should be monitored by other countries for the lessons which can be learned from this dramatic political and economic restructuring.

Appendix 1

OTBs (*Organizaciones Territoriales de Base* [Territorially Based Organizations])

LPP grants free legal recognition (via *personalidad jurídica*) as OTBs to the following urban and rural, modern and traditional, territorially organized groups:

- Indigenous Communities,
- Campesino (or peasant) Communities
- Neighborhood Groups (*juntas vecinales*)

(this includes *Capitanes, Jilacatas, Mallcus, Secretarios(as) Generales*)

Only one group is recognized as an OTB per geographic area representing the community at large. To be recognized, a group need only present its minutes and laws and regulations with a four page simple document to the local municipal committee (*Consejo Municipal or Junta Municipal*). The municipal government publishes the request to ensure that there are no other rival groups, and if there are no conflicts or inconsistencies, the application is passed to the Prefect or Subprefect for recognition. The process takes only 60 days from start to finish. If there are disputes, an additional 40 days may be needed to resolve them. In any case this process is much simpler than the previous one which involved a fee and a trip to La Paz.³ By recognizing different local structures, the law is incorporating each community's local traditions of governance. Perhaps the best description of what exactly an OTB is came from a campesino from La Paz attending a LPP Seminar who said an OTB "is the nickname of the campesino community, indigenous town or neighborhood group."

The OTBs have the ability and obligation to:

- Propose,
- Ask,
- Control,
- Supervise

the work of each Mayors Office and the resources which pertain to it. To improve supervision OTBs from each rural canton or city district elect a representative to form **Vigilance Committees** which in turn oversee the use of coparticipation funds, ensuring that no more than 10 percent is spent on administration and that the funds are invested in an equitable manner.

Additionally the OTBs are charged to:

- Participate, cooperate, and help with projects and maintenance
- Preserve the environment
- Promote equal access by women and men to representation
- Propose changes or ratify the naming of educational and health authorities within their territory.

This is the first time that the municipal government is responsible to/for rural areas, whose population will vote in the December 1995 municipal elections. The municipal governments functions have additionally been expanded with the transfer of infrastructure from the central government to the local level. They are now responsible for

³ Those groups which already have recognition (*personalidad jurídica*) need only present their documentation to the Prefect or Subprefect for the issuance of new documents (*Participar* November 1994, 10).

of

- Administration,
 - Maintenance,
 - Renovation
-
- Public schools,
 - Public health facilities,
 - Recreational facilities,
 - Local roads, and
 - Irrigation within their Provincial Section.

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