

## Management Of The Participatory Budget And The Quality Of Public Expense In The Municipalities Of The Province Of Huallaga, San Martin – Perú

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### *ABSTRACT*

The main objective of this research was to establish the relationship between the management of the participatory budget and the quality of public spending in the municipalities of the Province of Huallaga, San Martín. The type of research was applied with a non-experimental design, whose sample was made up of 15 officials from the 6 municipalities belonging to the Province of Huallaga. The technique used was the survey, with a questionnaire as an instrument, with the following hypothesis: H<sub>i</sub>: The management of the participatory budget is directly and significantly related to the quality of public spending in the Province of Huallaga. Coming to conclude that the quality of public spending is at a low level

with 47%, also the most relevant component of participatory budget management is citizen participation qualifying with 53%.

Keywords: Participatory budget management, quality of public expenditure.

## INTRODUCTION

The municipalities are governed by the annual Participatory Budget as an instrument of administration and management, which is formulated, approved and executed in accordance with the Law of the National Budget System, Framework Law of the Participatory Budget and other laws on the subject and the mechanisms of participation regulated by ordinance, having scope to all the Participating Agents involved in the process such as: Social Organizations, Civil Society, Public and Private Entities.

At the national level, the country carries out different ways to strengthen the management of the budget, these changes do not have an adequate order, developing disassociated from each other, causing a deficient evolution of the State. In the district of Angasmarca – Libertad Region, after preparing a study it was announced that the illiteracy rate is between 36.30%, as well as the condition of poverty is at 18.8%, for which the management makes efforts to improve and reduce these figures, however there are gaps which are the lack of procedure, citizen participation and that the budget is only convened for the simple fact of complying with the law, when obtaining results it was evident that 43% of respondents agree that the participatory budget is in favor of the population, on the other hand 54% agree that the participatory agents are committed to the actions to be developed, only 39% are neither in agreement nor disagree with the municipality (Orestes, 2018, p.87).

Likewise, the implementation of this budget allowed the population, through civil societies, to participate in assertive decision-making, which will be reflected in the increase in the degree of efficiency of public spending. The poor implementation of methods when making decisions, caused by the ignorance of the public servants in charge of this budget, little responsibility assumed by them and the little dissemination of the calls, generates a distraction of public resources at the time of their execution, in activities and projects not programmed or treated in the participatory budget, because there is not the appropriate degree of commitment to the distribution of public expenditures at the sub-national level.

The studies are presented at the international level, Pino, V. and Velasco, P. (2009) in their thesis "Improvement and application of a participatory budget model of the Provincial Council of Chimborazo" (Undergraduate thesis). Polytechnic School of Chimborazo, Ecuador. Who concluded, the execution of Participatory Budgets has been regular by 48%, throughout Latin America it has been presented as an

emerging process, with multiple strengths that do not facilitate the social construction of communities, especially for the smallest.

Salinas, J. (2012) in his thesis "Participatory budgeting for transparent local management: The Chilean case" (Undergraduate thesis) Universidad de Chile, Chile. In conclusion, the importance of the implementation of participatory budgeting within government institutions is emphasized, either on its own initiative or legal obligation, since this tool contributes to transparent local management facilitating access to public information, in addition, it promotes the participation of citizens for the control and monitoring of institutional goals and objectives, contributing to assertive decision making.

In a national context, Delgado, I. (2013) in his thesis "Advances and perspectives in the implementation of the budget for results in Peru" (Undergraduate thesis) Pontificia Universidad Católica del Perú, Peru. In conclusion, the strategy has been adapted to the existing institutional arrangement (decentralization) and to the capacities of the State. The implementation of the main instruments of the reform has been focused and is gradual.

Maldonado, M. (2008) in his thesis "Effectiveness of public educational spending in Peru" (Undergraduate thesis). National University of Trujillo, Peru. In conclusion, it is evident that the level of effectiveness of public education spending in Peru can be raised without the need to request more material and financial resources through the implementation of strategies.

As for the theories related to the subject, it begins with the management of the participatory budget, where According to the Ministry of Economy and Finance (2017) considers that: It is the policy instrument that seeks to encourage the participation of governments both at the regional and local levels, and civil society as a representative of the population, in order to direct resources towards the achievement of the institutional goals and objectives detailed in the plans. territorial (p.4).

For the evaluation of participatory budget management, it is important to know the following dimensions: Efficiency and effectiveness, as mentioned by MEF (2017), efficiency and effectiveness is defined as the ease with which a high level of compliance with the plans and objectives set can be obtained through the use of public resources (p.12). That is why it is important to know the indicators within which transparency of the use of public resources stands out.

According to the MEF (2017), another dimension is citizen participation, being considered as a procedure where the inhabitants intervene in order to set objectives for the Municipalities to improve their management, it also offers the opportunity to intervene in the construction of an adequate environment allowing to achieve the economic well-being of the entire population (p.14). Therefore, it is

important to know the following indicators: Relationship of the Municipality with its inhabitants, regarding the agreements and actions to be taken: It is focused on identifying the activities agreed between the population and the officials representing the Municipalities (p.14).

Institutional strengthening, according to MEF (2017) reveals that institutional strengthening is the improvement of the efficiency and effectiveness of local governments; That is, it is the action and what results when municipalities are benefited and work together to strengthen institutional effectiveness (p. 15). It is therefore important to know the following indicators: Better quality of life and strengthening democracy, accountability. (p. 15).

Regarding the variable Quality of Public Expenditure, "It is the investment of the revenues of the municipalities in the satisfaction of collective needs, summarizing that the expenditure must be well used in the needs of the population" ([INEI], 2017; p. 09).

For the evaluation of the quality of public spending, it is important to know the following dimensions: reliability, as mentioned by INEI (2017) reliability is the ability to successfully comply with the service offered; is the ability to perform the promised service reliably and accurately (p. 12), so it is important to know the following indicators: Accuracy, compliance, knowledge and credibility.

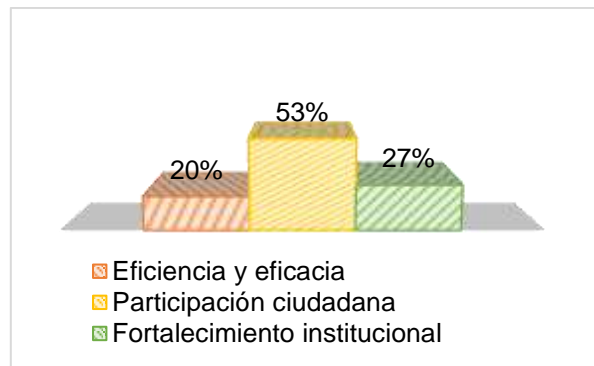
Regarding its control dimension, according to INEI (2017) points out that control is the verification if the economic resources of local governments are complying with the provisions of the budget and thus also to attend with the necessary fluidity the financial resources, it involves a quality management that allows to adequately meet the demand of the population (p. 14), Analysis, follow-up (p. 15).

## **METHODOLOGY**

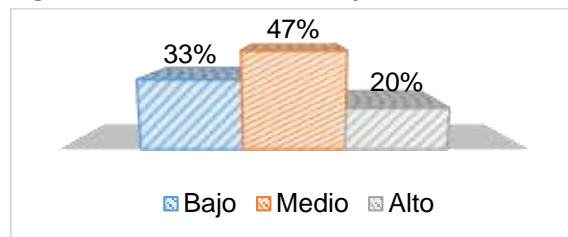
The research was of an applied type, since its purpose was to solve the problem reflected to transform the facts that were intended to be studied, it also presented a correlational level because it sought to publicize the relationship between both variables without any manipulation, the same that were analyzed in order to find at what point the variables under study were related (Zumarán, 2017, p.42)

As mentioned by Zumarán (2017), the research had a non-experimental, correlational design, which consisted of analyzing the variables of the study, in order to find the relationship of both variables (p. 48).

## **RESULTS**



**Figure 1. Most relevant components for management strategies**



**Figure 2. Quality level of public expenditure**

**Board 1. Pearson correlation**

Correlations		Participatory budget management	Quality of public expenditure
Participatory budget management	Pearson correlation	1	,762
	Sig. (bilateral)		,000
	N	15	15
Quality of public expenditure	Pearson correlation	,762	1
	Sig. (bilateral)	,000	
	N	15	15

**Source:** SPSS

**DISCUSSION**

In relation to the results obtained where, 53% consider that it should have better citizen participation; 27% indicate that municipalities should have adequate institutional strengthening and 20% believe that it should be more efficient and effective in its goals. the author Pino, V. and Velasco, P. (2009) in his research, concluded that the participation of participatory budgeting has been rated at 48% regular, since with multiple strengths that do not facilitate social construction of communities.

According to the results obtained in the research, 47% rate the variable Quality of public spending as medium, 33% consider it as low and 20% consider it as high. In the same way, the results maintain a close relationship with the author Maza, F. and Quesada, V. (2013), who concluded that the municipalities of Bolívar have expressed over the years a performance that goes according to the resources to the better management of educational coverage, where it is shown that only 30% of local governments were efficient during the last periods, while the remaining 70% were inefficient, which has evidenced the inefficiency in relation to the educational coverage of the local governments of Bolívar.

According to the results obtained from the relationship between both variables, the Pearson correlation statistic is 0.762 was obtained, with this result obtained it is verified that positive correlation between both variables, the significance is considerable, since the statistical evidence presents (0.000 sig Bilateral), it is also demonstrated that the Management of the participatory budget influences the Quality of public spending by 58.06%, accepting the hypothesis raised. These results are little related to Maldonado, M. (2008) in his research "Technical efficiency of spending on public education in the regions of Peru", who concluded that, given the differences in the measures of technical efficiency of the regions, there would be evidence that educational results can be improved in inefficient regions even without increasing the resources they currently use.

## CONCLUSIONS

The most relevant components for participatory budget management strategies to improve the quality of public spending in the Province of Huallaga, Peru, have been considered the dimensions of greatest importance for its improvement where, with 53% it is qualified that it should have better citizen participation, 27% indicate that it must have an institutional strengthening for its improvement and 20% indicate that there must be efficiency and effectiveness Suitable for your better management of the participatory budget.

The quality of public spending in the Province of Huallaga, where officials rate with an average level of 47%, which is due to inefficient citizen participation, who involves diverse ideas or opinions, as well as officials rate it with a low level of 33%, there is no adequate relationship between citizens and representatives of local governments and 20% of officials consider that it is at a high level, since there is a quality of efficient public spending in the province of Huallaga.

There is a significant relationship between the management of the participatory budget and the quality of public spending, since the value of the Pearson correlation statistic is 0.762, which proves that there is a positive correlation between both variables, the significance is considerable, since the statistical evidence presents (0.000 sig. Bilateral), it is also shown that the Management of the participatory budget influences the Quality of public spending by 58.06%.

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