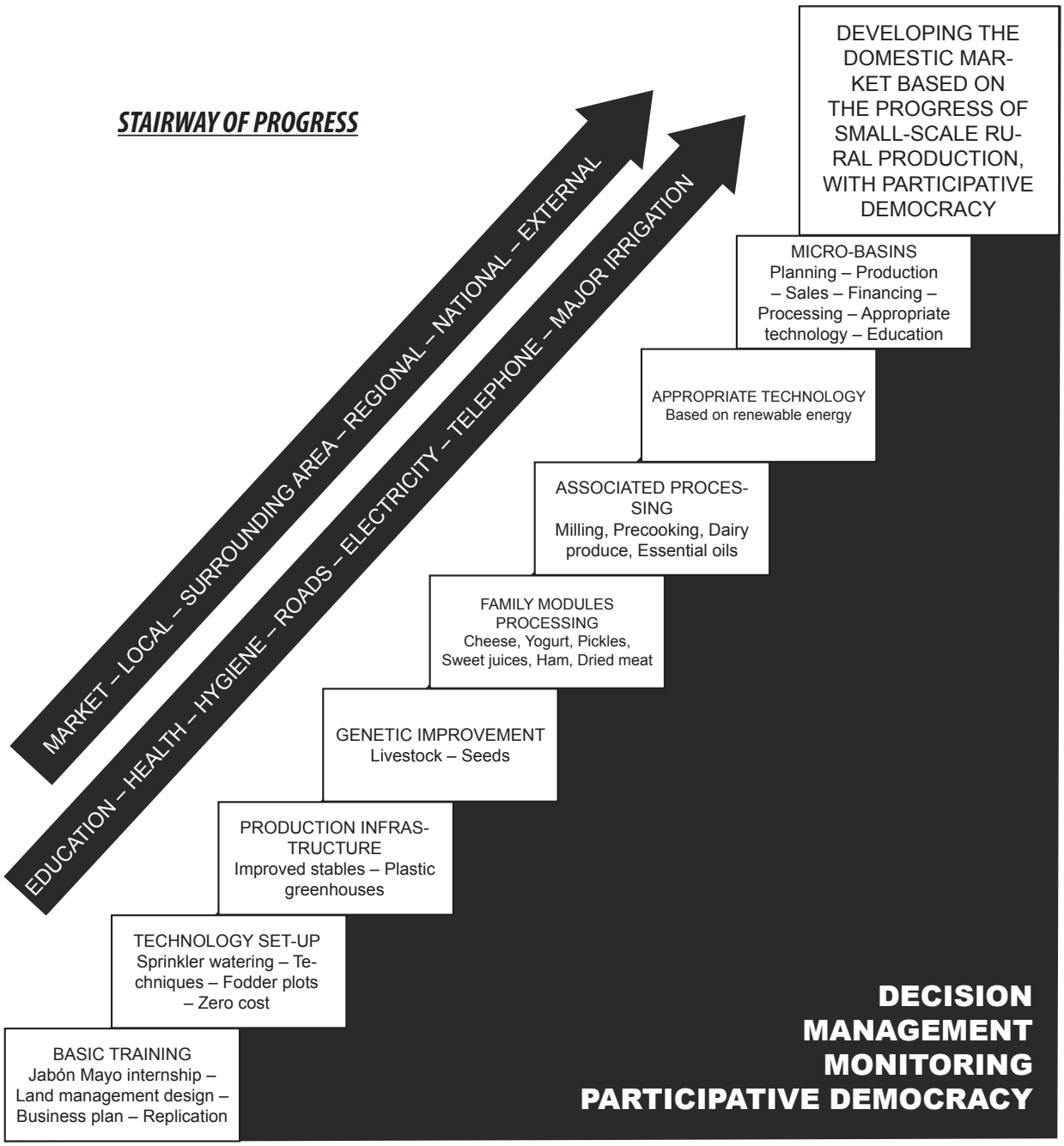
GUIDELINES FOR DEVELOPING THE DOMESTIC MARKET BASED ON THE PROGRESS OF SMALL-SCALE RURAL PRODUCTION WITH PARTICIPATIVE DEMOCRACY



Cusco (Peru), February 2004

English translation of the original document published by Carlos Paredes Gonzales, from the Institute for Agrarian Alternative (advisor of Departmental Federation of Cusco Peasants)

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GUIDELINES FOR DEVELOPING THE DOMESTIC MARKET BASED ON THE PROGRESS OF SMALL-SCALE RURAL PRODUCTION

Carlos Paredes Gonzales
Advisor, Departmental Federation of Cusco (Peru) Peasants

INTRODUCTION

Factors taken into account in drawing up the proposal "Guidelines for developing the domestic market based on the progress of small-scale rural production" include the extraordinary progress made by the Departmental Federation of Cusco (Peru) (Peru) Peasants (FDCC) with the cooperation of the Institute for a Farming Alternative (IAA) in taking forward a pilot experience in the Jabón Mayo micro-basin in the province of Canas. The project involved micro-basin integrated management with an agro-ecological approach based on providing technology training and implementing production, conservationist and processing technologies. After several years of experiences, more than 30 technologies were validated, and replication began in 30 districts belonging to 10 Cusco (Peru) provinces during the 2000-2001 agriculture and livestock campaign. Replication was expanded to 60 districts in the 2002-2003 campaign. The results and their multiplier effect are important to the extent that families who are trained and who implement the technology are able to improve their diet and nutrition by consuming their own produce. They are also able to obtain a higher income from selling their own reared livestock and processing their own products, thereby benefiting from added value and also boosting the local market.

This experience was set out in an Act of Commitment put forward by the FDCC to the Republic's Presidential candidates prior to the 2000 elections and was supported by candidate Alejandro Toledo. Likewise, for the 2001 elections, the same candidate Alejandro Toledo once again signed up to support the Act of Commitment, going on to ratify the document when he was elected President of the Republic.

The outcome of progress in fulfilling the Act of Commitment was the reorientation of the Productive Social Emergency Programme (PFSP) enabling 22 districts to set up rural reservoirs, sprinkler watering systems and plots for growing various kinds of livestock fodder for 500 families in each district, making a total of 11 thousand families, by means of a Pilot Rural PESP that replaced casual seasonal labour with 40 workers for 6 months. Later, the three-year project "Integrated management of micro-basins. Replica of the Jabón Mayo experience in 12 micro-basins in Cusco (Peru) and 3 in Puno" was funded and is being implemented. The 12 micro-basins are located in 12 districts belonging to 10 provinces in Cusco (Peru) and 3 districts in 3 provinces in Puno. They will benefit 7,500 commune families, 500 for each micro-basin. Funding is being provided by FONCODES, as a result of having obtained a reorientation of social policies on productivity.

For the Regional and Municipal Government Elections in November 2002, five candidates for the Regional Government Presidency confirmed their support for the Act of Commitment proposed by the FDCC, including candidate Carlo Cuaresma Sánchez. As Regional President elect he went on to ratify his commitment and signed the document. In 60 districts across the Cusco (Peru) Region, Mayoral candidates, at public meetings known as "forum panels", signed up for "Acts of Commitment" setting out productivity proposals for technology training and implementation to be promoted and put in place in their districts with "municipal contributions and any others that may be obtained, together with the commitment to set up Communal and Local Community Councils to enable the or-

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ganised population to exercise the right to make their own decisions, participate in management and carry out social monitoring".

The Decentralisation and Regionalisation law, plus the Organic Law on Municipalities make significant progress in respect of proposals contained in the Acts of Commitment. These include citizen participation in the form of Regional and Local Coordination Councils and state clearly that the development priority in regions and districts is based on the sustainable development of productivity.

In the experience of participative budgets, the Peasants' Federations took on a leading role presenting productive projects and getting FONCOMUM investment reoriented towards one of the priorities in 70 districts. Similarly, in the Regional Government participative budget, the Region's Budgetary Plan included a project to fund the integrated management of 96 micro-basins and 960 Food Security Communal Centres, worth 35 million dollars, with the commitment to manage resources by approaching a range of funding sources.

Technology training and implementation is being enriched with the incorporation of the appropriate technology based on renewable energy, namely wind, solar, water and biomass by means of an agreement with the Mechanical Engineering Faculty at the Pontificia Universidad Católica del Peru. This has resulted in the Yachay Wasi group, which will act as a training, implementation and research unit for contributing to generate skills so that Yachay can train producers.

There are good intentions and interest from Peasants' Federations, Municipalities, Regional Governments and NGOs in the regions of Huancavelica, Ayacucho, Apurímac, Arequipa, Puno and Piura in replicating the experience. So far, progress has been made in beginning practical training in Víctor Fajardo and Huamanga in Ayacucho and in Tayacaja in Huancavelica.

These important facts lead us to conclude that we are looking at the emergence of a peasants' movement that is fighting for progress.

CHARACTERISTICS OF SMALL-SCALE RURAL PRODUCTION

Small-scale rural production basically consists of agricultural and livestock farmers belonging to rural farming communities with small plots of land averaging 1.02 square hectares. They have scarce financial and production resources, due to the poverty and extreme poverty they experience, due to almost no technology use whatsoever, due to the destruction of their land and loss of soil fertility, due to overgrazed pasture land, no soil conservation treatment and because their farming livelihoods are at constant risk from the weather.

In these conditions, their production is basically limited to subsistence farming. Their relationship with the market is essentially to sell their harvest in stages, by making weekly exchanges that enable them to obtain cash so they can immediately purchase goods that they do not produce themselves. Their income relies on their livestock production, depending on their chances of having one or more herds. This is the case of the vast majority of small commune producers. A few of them also have the possibility of selling the surplus from their harvest to obtain cash income so they can improve their livestock herds and also overwinter livestock to sell later.

The main inefficiencies that explain the stagnation of small-scale rural production are as follows:

(1) Very low outputs per unit of land and per animal.

Use of genetically eroded seeds contaminated with pathogens. Seeds are not sown at the right time of year. There are defects in seeding distances and densities. There is no rotation or errors are made in the rotation process. Weeds are not removed at the right time. Livestock are reared on basically natural pasture. Irrigation is reliant on rainfall. Correctness depends more on intellectual consumables than on material consumables.

(2) They buy poorly and sell poorly. The ways in which producers buy their supplies and how they sell their surplus are distorted. They do the opposite of what they should be doing. They buy retail, that is,

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with high added costs and from the last link in the supply chain. When they sell, they do so wholesale, with no added value and to the first link in the chain. These errors can be eliminated with training and organisation.

(3) Lack of productive diversity.
There is little diversity of crops. Expanding farming plots and livestock rearing plus incorporating technology can mean that the whole production activity operates as a kind of insurance, a factory of consumables, a supermarket, a farming industry and an employment agency for all members of the rural farming family.

(4) Poor investments.
Many investments are over ambitious and remain inactive for most of the year. This happens with oxen, which eat all year round but only work for a few days. Worse still are the tractors, which on a smallholding do the work of an ox in a fifth of the time. People must work together to get economies of scale, reduce costs and increase value, together with harvests and livestock rearing.

(5) Poor producers sell to poor consumers.
If the buyer has little purchasing power they will not be able to pay the best prices or demand that producers sell best quality post-harvest products with the best market appeal.

(6) Expensive, inefficient credit.
Aimed more at commercial and other non-farming activities. Not meeting the specific needs of producers' own distinct situations. Borrowers are not properly equipped. They are not being educated to be aware of the risks that could lead them to being out of pocket.

(7) Little participation.
Small-scale producers have little or no participation in taking decisions about policy matters pertaining to agricultural and livestock production and rural development issues.

The best approach for overcoming these inefficiencies is to provide small-scale producers with training and enable them to be organised. Improving their knowledge will help them to find answers that will eliminate the causes of inefficiencies and not just tackle the consequences. Investing in knowledge will break dependencies and achieve emancipation for small-scale producers.

(Composed taking into account the approach described in the document "How can we tackle the farming crisis, by lamenting unresolvable problems or by resolving solvable problems?". Polan Lacki, Regional Office of the FAO for Latin America and the Caribbean. Chile, November 2000).

APPROACHES TO AGRICULTURAL AND LIVESTOCK FARMING

World agricultural and livestock production took a giant leap forward in productivity with the "green revolution" approach, the golden rule of which was production in large expanses of land or estates, mechanisation, monoculture, increased use of chemical fertilizers and increasing and staggered use of pesticides.

The green revolution approach and technology have both had extremely serious effects, such as erosion, degradation, destruction of land, indiscriminate felling, desertification, environmental pollution, climate change contributing the greenhouse effect causing the earth to heat up, glacial melting, reduced availability of large quantities of water and water pollution. All of which places the future of planet Earth at risk. Another serious effect is to human health, causing poisoning by pesticide spraying, a range of diseases from consuming agricultural produce affected by chemical residues from fertilizers, pesticides, hormones and genetic modifications, as well as livestock products contaminated by hormones and poor diet. The green revolution approach also produces a knock-on increase in production costs due to the growing demand for agrochemicals to compensate for the increasing loss of soil fertility, influencing profitability and prices which, as time goes on, become more and more unfavourable.

NEW APPROACHES THAT VINDICATE AGE-OLD PRACTICES

One alternative with effects that are completely opposite to the green revolution approach is ecological farming.

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- Compared to monoculture, it seems to be a better alternative as it preserves and nourishes the soil as well as guaranteeing greater productivity by means of crop diversification and rotation,

- Compared to large estates, it shows that it is possible to obtain large-scale productivity in small areas, by making advances in knowledge, improving skills and implementing the right technology.

- Compared to mechanisation, it shows that the land is better preserved by keeping ploughing to a minimum or by not doing it at all.

- Compared to chemical fertilizers and pesticides, which poison and destroy, it shows that the land is nourished and improved with organic fertilizers that multiply the microbial life in the soil, improve its texture by allowing it to absorb sunlight and store nitrogen, preserve moisture and prevent destruction, enabling healthy soil to sustain healthy plants.

- Compared to the constant increase in production costs, it shows a gradual saving of costs together with a growing increase in production.

- Compared to environmental deterioration, it shows that micro climates can be preserved and improved by putting in place agroforestry, forestation, managing the land with irrigation channels, making terraces gradually and controlling subsidence, all of which not only improves the environment and the soil but also contributes towards improving water supplies and preventing disasters.

- Compared to the deterioration in human health and the appearance of new diseases, it offers a dietary alternative of health-giving, ecological, agrochemical free foods, ensuring a healthy lifestyle.

The world and humanity have been warned about the grave risks putting their survival in danger. This has given rise to two main trends in the form of a new food culture that is increasingly and urgently demanding natural, clean and healthy food products, with no chemical fertilizer or pesticide residues, no hormones or artificial genetic modifications as well as a new medical culture based on natural, healthy medicinal plants.

The world market has serious problems overcoming its high dependency on hormones, transgenic methods and agrochemicals. The advantages and opportunities presented by produce from the Andes with a strong ecological farming cultural influence could open up the way towards placing the region's highly nutritious natural products on both domestic and foreign markets.

POLICIES FOR GUARANTEEING THE PROGRESS OF SMALL-SCALE RURAL FARM PRODUCTION

1. BIO DIVERSITY IS THE BASIS FOR DECENTRALIZED NATIONAL DEVELOPMENT

Peru has extraordinary geographic potential, in a system based on small and medium-scale production that owns 95% of the country's total arable land. Peru is an ecological powerhouse. It has a great diversity of productive ecosystems. A great diversity of species. A huge diversity of genetic resources. Plus enormous cultural and human diversity. In ecosystems, it has 84 of the 104 areas of life in the world and 24 of the world's 34 climates. In diversity of species. It is thought to have 25 thousand species of plants (10% of the world's total) of which 30% are endemic (only grown in those places). It ranks fifth in the world for number of species. With 4,400 species it is the second country after China in the number of plant species with known properties and used by the inhabitants. It ranks first in the world for domesticated native species, with 128. In animal life, it is one of the world's top locations, with 2,000 species. It is second in the world for bird life, with 1,721 species. The third for amphibians, with 332 species. The third in mammals, with 462 species. In genetic diversity. It is the top country in terms of potato species and varieties, with 3,000 varieties, 9 farmed and 180 wild species. 5 species of peppers. 36 varieties of maize. Andean grains include quinoa, "quiwicha" (amaranth), "cañigua" and "tarwi" (lupin bean). Tubers include "papa" (potato), "oca" (yam), "olluco" and "mashua". Andean root vegetables

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include "arrachaca", "llacón", "camote" (sweet potato) and "achira" (canna). There are 50 species of fruit, 7 species of Cucurbitaceae (pumpkins, gourds, etc.), 1,408 medicinal plants, 1,600 ornamental plant species and 787 varieties of edible plants. There are 5 kinds of domesticated animals, alpaca, vicuña, llama, guinea pig and Muscovy duck. Of the 4 most important crops for human nutrition across the world (wheat, rice, potato and maize) Peru has the greatest diversity of potatoes and maize. In terms of cultural and human diversity, the country has 14 language families and 44 ethnic groups. (Source: Antonio Brack Egg "Diversidad biológica y mercados").

Biodiversity is found in the basins, sub-basins and micro-basins established by water courses and the peaks of the mountains surrounding them. They have a high, medium and low area. The total amount of production in these three parts enables us to ascertain the extent of the diversity in that particular basin unit as well as the production supply capacity in terms of variety and volumes. They are also located in smaller districts and councils, as a unit of political demarcation and organisation used by the system of power representation.

The micro-basin should be understood as:

A production unit, which deals with the overall handling of water resources, land, soil, forestation, crops and livestock, in the high, medium and low parts.

A planning unit, in order to design approaches that guarantee to fulfil food security requirements for its population and to improve the skills of its best people for the purpose of operating in optimum conditions of competitiveness on the market.

A processing unit, to process products and generate added value with a number of categories based on artisan processes for family consumption for the local and nearby market, and also for regional, national and even foreign markets.

A technology unit, to put the appropriate technology in place depending on the characteristics of the micro-basin, in terms of type of machinery and tools, size and distribution, both by areas and as a whole. The unit would control on site experimentation and research involving biogenetics, biotechnology, machinery and equipment.

A sales unit based on the overall production supply coming out of the sum of the high, medium and low parts of saleable raw materials and added value products. The unit would put in place the best possible design to ensure a trading process that would give it negotiating power on the market, providing safe markets that pay better prices, thereby guaranteeing profitability. The sales unit would put the proper organisation in place and take the approach of producing individually and selling together.

A finance unit, to set up the credit and financing mechanisms adapted to the characteristics of each micro-basin in terms of its production, the markets it targets and the financial needs of its various sections, thereby improving productivity, quality and efficiency.

An education unit to build an educational community for developing a productive, entrepreneurial and innovative learning process.

A cultural unit to recover age-old knowledge and historical memory, to promote identity and to continue working towards a local community culture with an overall vision that enables them to dialogue with and preserve the natural world.

An approach to development based on the integrated management of micro-basins should be complemented by the approach of financial agents who have an impact on the local community's potential to generate income through production and market-oriented services. This entails expanding the scope of the scheme to regional and macro regional level, seeking to secure a more equitable and efficient link with city dynamics, in which the process of generating markets becomes the main focus.

2. FOOD SECURITY TRAINING TO GENERATE WEALTH

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AND OVERCOME POVERTY AND EXTREME POVERTY

Poverty and extreme poverty affect 84% of people living in rural communities. In addition to the dramatic impact that poverty has on people and its serious effects in terms of reducing physical and intellectual abilities, from an economic point of view, poverty and extreme poverty mean that instead of being able to support themselves financially, people become an economic burden on society.

The starting point, the task that takes top priority, is to lay out a path and put measures in place to overcome poverty by achieving food security.

The rural farming community is the combination of family economy with social services run by the community for the common good. Overcoming poverty depends on improving the productivity of commune families.

It is possible to make progress on achieving food security by implementing the following measures:

(1) Technology training and implementing production, conservationist and processing technology. It is important that the methodology involves peasants training each other, based on "inter-learning" and "learning while doing", with the right support from teams of technical experts.

Production technology:
Diversifying the crop mix. Working fixed fields. Producing potato to seeds from seedlings. Rotation, distancing, thinning, weeding, natural pest control.

Conservationist technology:
Nourishing the soil with natural fertilizers, compost and humus. Keeping crops healthy with foliage fertilizer by rotting down manure. Soil conservation using mechanical means such as irrigation channels, gradual terracing and "pata patas". Preventing disasters by controlling the appearance of sink holes caused by subsidence. Agroforestry and forestation.

Processing technology:
Making pickled maize ("mazamorra"), plus vegetable jams, natural juices and sweetened juices. Making fruit compotes, jams, natural juices and sweetened juices, dried fruit. Making pre-cooked tubers, dried potatoes, potato bread, yam jam, "mashua" jam, potato liquor. Making grain-based pre-cooked foods, "hojuela" cakes, flour. Making cheese, yogurt and "manjar" from milk. Using meat to make ham, sausages, dried meat ("charqui"). Using vegetables, fruit, aromatic and medicinal plants to make essential oils, flavourings, ointments, creams, soaps and perfumes.

(2) Implementing technology. The first step towards progress is made by capturing water from springs and streams for irrigation. Also required are rural reservoirs, watering by sprinklers, fixed family plots and a plot for growing various kinds of livestock fodder.

(3) Implementing Communal Food Security Centres to drastically reduce childhood malnutrition and ensure children are able to develop better physical and intellectual abilities as they will be the peasants of the future. This should be done through a Communal Food Security Centre to be set up in a 1,000 m2 area granted by the rural community for the women of the community to use as a committee. This will be a base for putting in place:

- A fixed open-air crop field.
- A plastic greenhouse for growing vegetables that cannot be grown out in the open and for fruit such as watermelon, melon, sweet cucumber, strawberries and similar.
- An artificial lake for rearing carp that lives in still water, feeding on plants and manure. Its optimum capture time is when it reaches 5 kilos in weight.
- A barn for guinea pigs.
- A barn for rabbits.
- A chicken run for rearing egg-laying hens for their eggs.
- A stable for a milking cow for making yogurt.
- A premises with a dining room, kitchen and storehouse.
- A hydraulic ram water pump or a wind-driven water pump, depending on the resources available in the area.
- A raised water tank to enable filtered water to flow through pipes.
- Solar panel.
- Solar oven cooker, solar parabolic cooker and a solar cooker for indoor use.

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- Solar heating.
- Bio-digester drainage system for producing biogas.
- Pasture and fodder crusher.
- Various kinds of livestock fodder will be grown in the rest of the area.

The Communal Food Security Centre will be giving a nutritious, balanced midday meal every day to pregnant women, breastfeeding mothers and children from 0 to 5 years old in the rural community. The Communal Food Security Centre aims to improve the diet available for children, pregnant women and breastfeeding mothers in the rural community, so they can eat produce grown in the open fields, vegetables grown under cover such as tomatoes, pumpkins, cucumbers, plus fruit like watermelon, melon, sweet pepino, strawberries and others. It also tries to incorporate eggs and other sources of protein from guinea pig, rabbit and fish. The Centre encourages the daily consumption of dairy produce in the form of fresh milk, yogurt and cheese.

The Communal Food Security Centre (or CECOSA) will be a place where women can receive training in production, conservationist and processing technology, as well as in appropriate technology based on renewable energy. In addition to being implemented in the Centre, rural women will also be putting replica measures in place in family units across rural communities.

The Centre will be a permanent space for mothers to learn and put into practice new ways of growing crops and rearing livestock, preparing and cooking healthy meals and ensuring their families get a balanced diet. Women will be the conduits for this learning so they can put the knowledge they have gained to work in their smallholdings and homes, enabling them to eat well both at the Communal Centre and in their own homes. In the district of Huancarani, Paucartambo, where communal fields were set up on the initiative of replicating mothers in charge of the Mothers' Clubs, the local community was able to progress from having a communal field to owning fixed family plots. In 3 farming and livestock campaigns, the 18 rural communities in Huancarani have communal fields and 670 families have fixed family plots and fields for growing various kinds of livestock fodder. Huancarani has become a benchmark for neighbouring districts, who train by shadowing to learn new skills and then encourage others to copy these new fields and pastures.

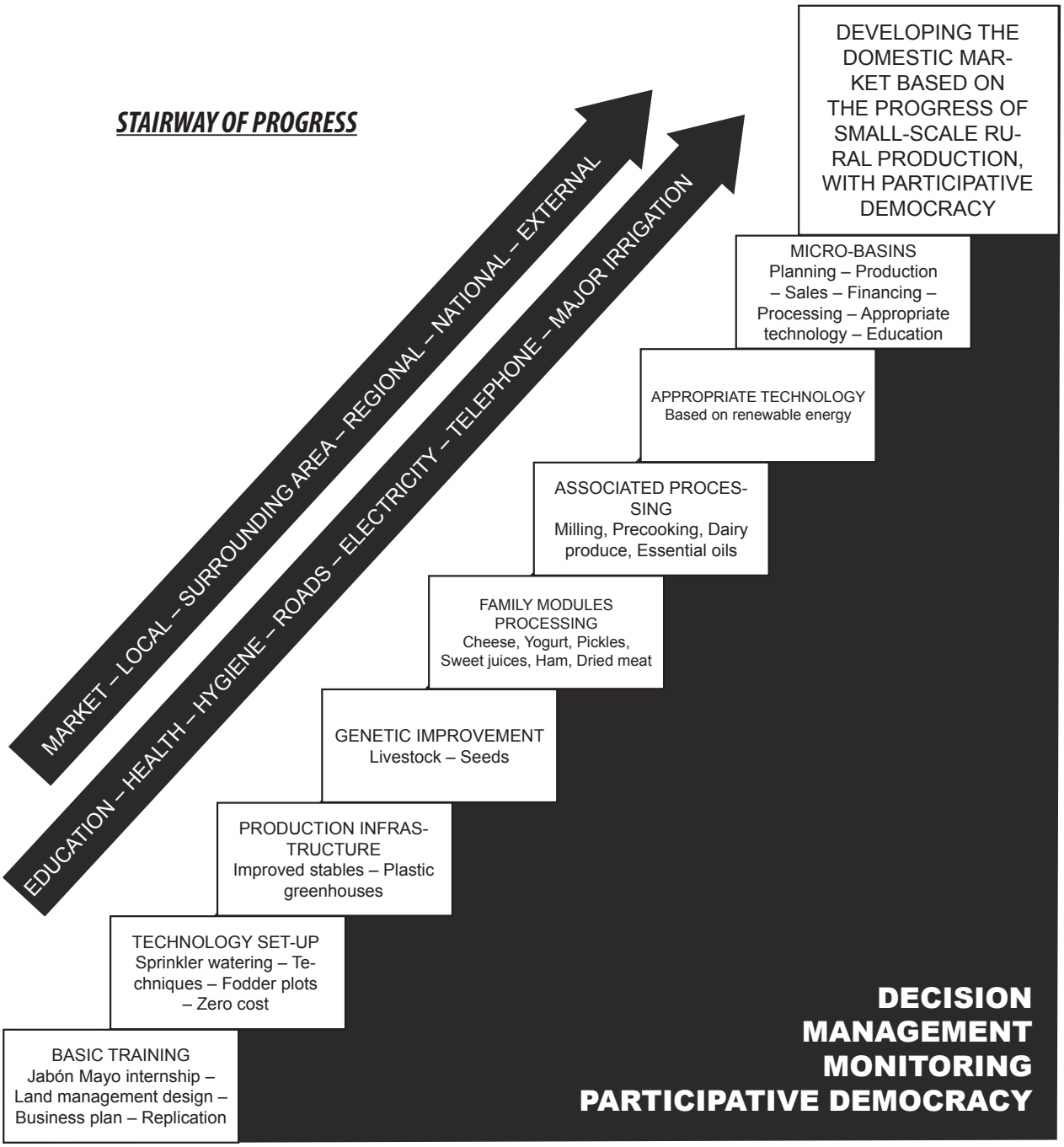
Rural women in Huancarani sell their surplus vegetables as fresh produce, jams, juices and cakes at the local market and they have opened a weekly market in Cusco (Peru), which has attracted customers who appreciate the quality and guarantee of natural, clean products.

This experience promotes progress in food security based on strengthening the skills of women and children in rural communities and is enabling improvements to be made in the cash income provided by the women for their families.

At the Communal Food Security Centre, children from 0 to 5 years old can have a midday meal every day as well as good quality food at home, enabling them to overcome malnutrition and its terrible effects, which include mental and physical disabilities. They will grow up to be physically and mentally healthier and stronger. In order to make the most of their abilities from an early age, both education and health services will have to work together with the Communal Food Security Centre to raise awareness of the importance of a nutritious diet, preventive medicine and other issues.
In addition, the Centre will be a place where women can learn literacy skills with local "yachachiq" community trainers, who will pass on their knowledge of production, food and lifestyle resources. It will also provide a place where children can be stimulated in the right way, enabling them to fully develop their intellectual and psychomotor skills.
In the same way, it will be a space to promote preventative health based on improving food and nutrition, as well as manufacturing products from medicinal plants. Prevention campaigns against parasitic diseases and bronchial ailments will be promoted. The organisation will contribute so that 100% of children receive vaccines that immunize them against basic diseases. Likewise, it will contribute to the

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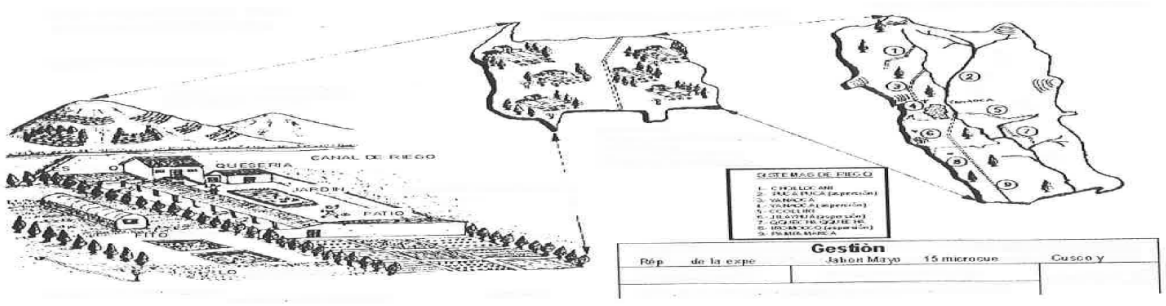
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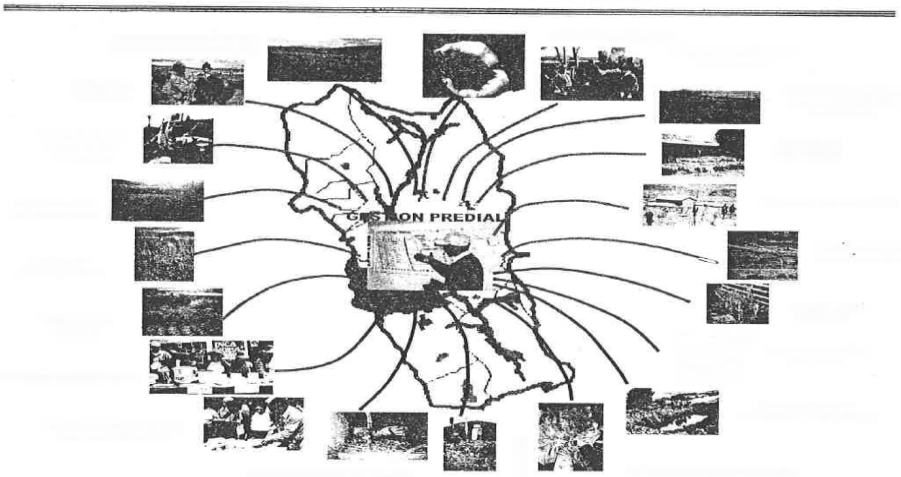
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SYSTEMIC RELATIONSHIP COMMUNAL RURAL AND MICRO-BASIN MANAGEMENT

FDCC - IAA CONVENTION



VALIDATED TECHNIQUES



COMPREHENSIVE MICRO-BASIN MANAGEMENT

12 IN Cusco (Peru) - 3 IN PUNO_

CONTRIBUTIONS FROM BENEFICIARIES THROUGH TASKS OF ACTION COMMON TO

BENEFICIARIES

500 FAMILIES PER MICRO-BASIN
7,500 COMMUNAL FAMILIES
55 THOUSAND FARMERS Vs and Ms

OPENING OF THE DITCHES FOR INSTALLATION OF
MAIN CHANNEL
SECONDARY CHANNEL
... FAMILY MEMBERS

CONSTRUCTION OF 100 RUSTIC RESERVOIRS PER BASIN

THE FOLLOWING WILL BE INSTALLED IN EACH MICRO-BASIN

100 RUSTIC RESERVOIRS
FAMILY SYSTEMS OF... SPRINKLERS
… FIXED FAMILY INVESTMENTS
500 PLOTS OF CULTIVATED ASSOCIATED PASTURES
100 IMPROVED STABLES
50 COVERS MEASURING 100 m2
50 INDUSTRIAL PROCESSING FAMILY MODULES

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RESULTS OF THE FDCC ALTERNATIVES IN 22 DISTRICTS 15 MICRO-BASINS

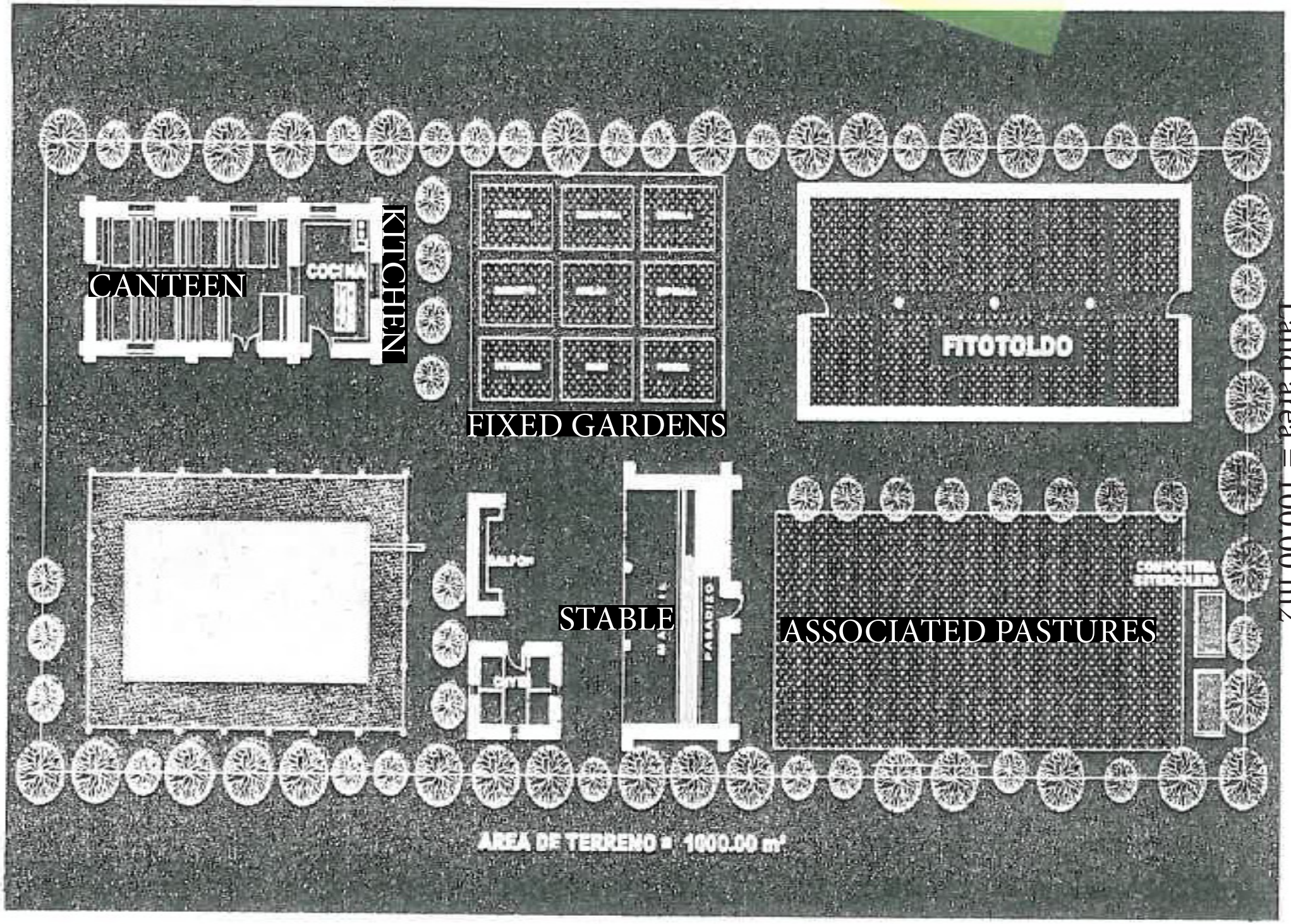


CONSTRUCTION OF RESERVOIRS



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Land area = 100.00 m2

control of pregnant mothers and take care of midwives guided or assisted by professional staff from health centres.

The Communal Food Security Centre will promote the implementation of appropriate technologies based on renewable energy for production, domestic and transformation use. Filtered water, solar thermal hot water, the use of baths (no toilets) with water and drainage that will go to a small sewage treatment plant or biodigester to generate biogas will be installed. A hydraulic ram water pump, a wind-driven water pump or wind turbine or other according to the resources available in the area. A module that can be replicated for one or more families from the neighbouring community.

Promoting knowledge, technical skills and entrepreneurial and innovative attitude of farmers, independent producers owners of agricultural production units, who will have a better productive and competitive capacity will also contribute to improving the labour market. On the other hand, a better occupational technical qualification is promoted, either for independent activities of self-employment or for dependent employment. It also encourages the appreciation of the value of a productive and entrepreneurial education from schooling so that technical training is reconsidered on the basis of innovative productive demand.

It is an option that is different to poverty-fighting policies based on the distribution of food aid. Validating a different alternative based on the Communal Food Security Centre will make it possible to show in practice, in a tangible way, a means of solving the poverty and malnutrition problem, with emancipatory outcomes of those who are now in a dependent and manipulable status, enabling those in a mendicant situation to become citizens, humans who are economically active and with a high self-esteem.

One of the purposes will be to move from the Communal Food Security Centre towards the productive unit of each family becoming a Family Food Security Centre (CEFASA).

All rural families are entitled to technological training and the deployment of technologies. They are all entitled to be trained to improve their production by expanding the diversification of their production, improving productivity of crops and livestock, and processing their products.

On this new production basis, rural families, small producers will voluntarily choose, depending on their abilities, skills and vocations, what they specialize in to access the market in the most optimal possible conditions.

With the training and deployment of these technologies, more than one food security centre based on subsistence farming is guaranteed a substantial change in the logic of income for commune families. Increased cash income with daily income is ensured for those who choose to transform their products into cottage industries. With revenues increased by 4, 6 or 8 times a year for those who choose to fatten their livestock. With weekly earnings for those who choose to raise small animals.

The FDCC proposal called "Stairway of Progress leaving behind poverty" translates family land management - communal management - micro-basin management and projects itself towards the development of the domestic market at district level. The stairway comprises 8 steps, two rails and the support, which are:

(1) First Step:
Basic training through mutual learning. Internships - "Mayo" Soap Workshop. Land design and replica plan.

(2) Second Step:
Installation of elemental irrigation systems.
Rustic reservoir. Family sprinkler irrigation. Installation of fixed crop field and associated pastures. Zero cost training in technologies.

(3) Third Step:
Livestock: Semi stabled handling. Improved installation of stalls. Agriculture: Interior crop fields, installation of greenhouses.

(4) Fourth Step:
Genetic improvement. At livestock and seed level.

(5) Fifth step: transformation through family agribusiness.

(6) Sixth Step:

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District-associated transformation. Mill, Pre-cooked. Dairy produce. Essential oils.

(7) Seventh Step:
Technification and energisation of small-production agriculture with appropriate production technologies based on renewable, wind, hydro, solar and biomass energies and agricultural machinery.

(8) Eighth Step:
Micro-basin management. Consider the micro-basin in its upper, middle and lower parts as a unit. Planning unit. Production unit. Processing unit. Marketing unit. Financing unit. Applied Technologies unit.
Productive education and entrepreneurial unit. Cultural unit.
(9) First rail of the stairway: It operates in a transversal way. Market. Captive market, PRONAA canteens. Glass of Milk programme, State purchases for hospitals, hospices, prisons, barracks. Competitive market.
(10) Second rail of the stairway: It operates in a transversal way. Education, health, sanitation and infrastructure services which require greater investment.
(11) Stairway support: Participatory democracy as a form of regional and local government and in areas of public and social activity, exercising the rights to make decisions, participate in management and carry out social control.
The Stairway, on the one hand, designs staggered promotions that involve the development of social and technical capacities, family capitalisation, better living conditions of small producers and promotion of the domestic local and regional market. On the other hand, it postulates a proposal for a concentrated action from the State bodies responsible for implementing social policies.

4. DEMOCRATISING THE REALIZATION OF GAIN.

The small rural production, commoner and non-commoner, has the role of producer supplier of raw materials assigned to them so that the revenue is made in the intermediation chain, by traders of fresh products or by semi-industrial or industrial plant entrepreneurs who are dedicated to processing agricultural products that they do not produce and thus revenue remains in the hands of a few. This dominant logic in the Peruvian economy must be overcome.
Improving production and productivity, while still being raw material suppliers does not guarantee, at all, an improvement in the income of farmers.
Democratising revenue can be achieved through a policy that encourages the processing of all or the majority of products offered by mega biodiversity, and particularly agricultural and livestock production.
This way, there would be more economic actors that generate added value and therefore more equity in the distribution of revenue.
Likewise, this orientation will result in the construction of a productive capacity that industrialises mega biodiversity in small and medium size industries according to the potential of one or several micro-basins located in the districts. A productive capacity based on producers that move on to process what they produce, overcoming the clash with the predominant industry, where the one that processes is the owner of capital that, for revenue calculation and market access opportunity reasons, decides to act on raw materials whose production process he does not have any contact with or know. In addition, the advantage of having the producers being the processors will allow the establishment of a direct line to make improvements and adjustments to production depending on the processing requirements, the quality and the competitiveness that consumers and markets demand.
It will encourage inventive and mechanical and industrial research to adopt and adapt processing technologies with small-scale machinery and prices accessible to modest and limited small producers of the Andean economies.

It will improve local capacities in expertise and relationship with the market, the scientific advances and the competitiveness requirements to access markets.

5. THE IMPORTANCE OF SMALL PRODUCTION PRODUCTIVE UNITS.

A micro-enterprise is a production unit with annual sales below USD $80,000. A small enterprise is considered to have sales between USD 80,000 and 750,000 a year. A medium and large enterprise has annual sales exceeding USD 750,000. Throughout Peru micro and small production units represent 99.7%,

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and the medium and large enterprise only 0.3%.
There are 160,351 production units in Cusco (Peru). 15,297 are urban micro-enterprises, 648 are small urban enterprises. There are only 81 medium and large enterprises. There are 144,325 micro and small rural enterprises, representing 90.01% of the total. Micro and small urban and rural enterprises add up to 99.95% of the total of existing production units.

Let us take a look at the southern macro level considering the regions of Apurimac, Arequipa, Cusco (Peru), Ica, Madre de Dios, Moquegua, Puno and Tacna. There are 585,348 production units. 87,620 are urban micro-enterprises and 4,468 are small urban enterprises. 684 are considered medium and large enterprises. 492,576 production units are micro enterprises located in rural areas representing 84.15% of the total. Micro and small urban and rural enterprises add up to 99.88% of the total of existing production units. (Source, SUNAT, 2001 Income Statement and the 1994 III Agricultural Census)
Rural production units of the Cusco (Peru) Region represent 90%, but they are restricted to a subsistence activity. They have serious technological deficiencies which makes it impossible for the great physical and productive effort of the men and women in the field to be effective. The technical professional qualification of workmanship is very poor so their chances of self-employment or dependent employment are precarious. The use of energy for agricultural work is practically zero, they use firewood or dung for everyday kitchen resulting in health problems due to inhalation of fumes while they prey on forests, and the scarce production units that are leaping to business management through the processing of most of their production use fuel-based energy such as gas and electricity, which allows them greater efficiency but also increases costs affecting their competitive capacity.
The big challenge is that production units that are now in a status of survival, poverty and extreme poverty, make the leap to become generators of wealth and are able to have business management.

We should draw strategic plans so that, for example, in Cusco (Peru) we can get 50 thousand production units to reach sales amounting to 1,000 soles per month, which would mean that 50 million soles a month would be injected into the economy, that is 600 million soles a year. If over a longer period, we can get those 50 thousand production units to obtain sales amounting to 1,500 soles a month and another 50 thousand production units to be incorporated into the generation of wealth selling 1,000 soles a month, we would reach sales of 125 million soles a month that is 1,500 million soles a year. In both examples, short and medium term, sales of electric and telephone companies, which are the derived corporations operating in the area, would be exceeded. In addition, with a great qualitative difference, as electric and telephone companies are owned by few, whereas in the case of small production hundreds of thousands are the beneficiaries as well as hundreds of economies in towns and districts. If we could project this to all 7 regions we are referring to, imagine what small production overcoming poverty generating wealth could inject as dynamics to economies to make it a national decentralized economy under the drive of the small entrepreneurial and innovative production.

6. DOMESTIC MARKET DEVELOPMENT FROM THE LOCAL MARKET

The largest productive and processed products offer guaranteed with technological training and implementation of technologies, must have as its first goal the achievement of self-sufficiency of the local market (district, province), as far as products from biodiversity are concerned.
Family economies of the small communal and non-communal producers that implement technologies, expand their diversity, improve their productivity, improve their diet and nutrition through self-consumption and have more surplus to place fresh and processed products in the local market, will boost the economic activity in the district. This process is going to restrict the access of products that come from extra local or extra regional markets, it will encourage consumer habits to change, it will enable small producers in a current situation of poverty and extreme poverty to have greater income and thus gradually beco-

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me active and dynamic factors in the local economy making the leap to be demanders, buyers, of other products and thus promoting the increase in sales of other products and services.

For the fulfilment of this purpose, one of the fundamental measures to be taken is for the Municipal Glass of Milk Programme to acquire 100% of its requirements on local production. 50% of the budget for the Glass of Milk should be destined to the acquisition of milk from the farmers that to guarantee the product quality should be partnering and installing, for starters, a small milk pasteurization plant, which on demonstrating its validity and sustainability, can be improved with a semi-industrial pasteurization plant. The other 50% of the budget should serve to acquire Andean grains, processed into flour, also eggs, fruit and others, based on the formulation of a nutritionally optimum diet according to the town's productive supply.

Another alternative is that PRONAA, which with ongoing decentralization process is to be transferred to provincial municipalities, be stocked by acquiring from the local market, as with the Glass of Milk.

The fact that the Glass of Milk and PRONAA food aid programmes acquire local products will contribute to various purposes. One, provide a safe market for local producers, reducing transportation costs. Two, encourage improvement of the quality of the products being purchased, through quality standard requirements. Three, establish mechanisms that contribute to production planning according to the requirements recommended by the formulation of a diet based on local products and the volumes that will be demanded. Four, it will encourage the emergence of a productive capacity to process and generate added value by means of local, artisanal and semi industrial industries, such as milk pasteurization plants, cheese and yogurt production modules, grain mills, and fruit pulping machines among others.

It will be important to carry out a study of consumption in the districts, analysing which products are local and which ones come from external markets. Their quality and level of presentation. Their packaging and presentation. Then evaluate how many of these products can be replaced by local products and the minimum standards of quality of processing and presentation that need to be achieved. With that logic we will begin to experience the replacement with local products, based on the production, processing and marketing requirements, to meet the consumers' requirements.

Each district and each province should have a thorough analysis of its consumption balance to be able know how much comes from local self-sufficient production and how much from extra local imports. With this instrument we should seek a positive balance so that imports are only those strictly necessary. This way the degrees of sovereignty and dependency can also be measured.

Adjacent and regional markets. Another more advanced step will be to be linked to markets surrounding other districts within the province and/or neighbouring provinces. With the experience gained in the local market, these other markets can be accessed with a feature to complete their production so as to enter them on the basis of better quality raw material or processed products.

Another step will be to expand to the regional provincial capital market and the regional capital market where the consuming population is concentrated. With the same logic, it will be necessary to study the market to identify raw and processed products that are in demand and which could be supplemented on the one hand, and on the other hand replace, with a guarantee of clean, healthy, ecological and quality production, products from other production centres.

Promote fairs and festivals that will meet various purposes. Weekly fairs for sale from producer to consumer. Sale of organic products, native potatoes, Andean grains, fruit from the area, ecological vegetables. Get the municipality and the Ministry of Agriculture to provide fair fields properly implemented to guarantee health, scales for fair weighing, comfort for marketing and that producers concur making healthy and quality products with phytosanitary control.

Large fairs, one or more times a year, to make sales, display products, establish market commitments, promote advances in production and processing, emu-

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late advances in quality and presentation, promote cooking and consumption of typical dishes and encourage prizes that contribute to providing supplies to the best entrepreneurs. Promote the culture of our communities, their customs, songs and dances.
Festivals in order to disseminate and sell fresh and processed products and promote new consumption habits.

7. DOMESTIC MARKET AND FOREIGN MARKET

Access will be determined, in principle, by products that have achieved the highest ratings when present in the local and regional markets, and whose measurement is in degrees of consumer acceptance. Entering the market primarily with processed products and secondarily with raw products will be a fundamental purpose to be achieved.
Another way is to improve and expand the presence in the domestic market already in effect, according to the vocations, skills and specializations in progress in various areas.
Andean zone and tropical zone. With the fruit trees in inter-Andean valleys, particularly prickly-pear fruit, "luema", custard apple, "palla", mango, peach, and apple. Also tropical products like coffee processed into gourmet ground coffee, soluble coffee and others. Cacao processed into chocolate, chocolate powder as a supplement and flavouring for products and confectionery. Fruit processed into fruit pulp, jams, juices and natural nectars. Coca, in different varieties, processed into wine, various tonics, toothpaste, chewing gum, candies, flour, filter mate and others.
Inter-Andean zone and high-Andean zone. With Andean grains in particular corn, barley, wheat, bean, pea, quinoa, cañihua, kiyvicha, tarwi, and others who should take the leap to be processes into "morón", flakes, atomic wheat, flour, pre-cooked and others, in addition to tubers such as the native potato and potato varieties demanded by the market, that would be processed into pre-cooked, dry potatoes and "oca", "mashua", "maca" potatoes among others, making jam, flour and nectars.
High-Andean zone. Bovine, sheep and camel meat, improving fattening systems with the production of associated pastures, production of hydroponic green fodder based on barley grains, semi-stable management and sanitary control in particular against the fasciola hepatica. The more there is fresh meat to sell in the domestic market, it will be necessary to advance in processing into ham, sausages and improved "charqui" (jerky). Processing of milk into cheese making progress in various varieties offered by the processing and admitted by consumers, such as cheese, yogurt, delicacies, butters and others.
Foreign market.
High-Andean zone. In relation to alpaca fibre and wool, it is necessary to expand population, improve the genetics, improve processing, which involves training, develop facilities and machinery that is appropriate for washing, classifying and production of tops. But it is even more necessary to progress towards spinning quality that makes it possible to produce fabrics for quality clothing. Opportunities opened up by free entry into the US market, through the ATPDEA, offers great possibilities that should be used to improve the quality of life of small farmers from the "almandina" zones.
Inter-Andean zone. For export, there would be prickly pear, "cochinilla", peach, fresh and pulped cherimoya, fresh avocado, "sanco", "awaymanto", "Iuema", particularly.
The tropical zone. Organic coffee to solidarity markets that pay the best price, cocoa, annatto bixin, dried fruit, pulped, natural juices and nectars. Medicinal plants.
Integration and complementarity. With the Andean Community of Nations (CAN) and the Common Market of the South (MERCOSUR) based on the proposal led by Brazil, developing the agreement signed by the Government of Peru with Brazil. It seeks for South America to participate in the world concert with a block that establishes relationships with large blocks such as North America, Europe and Asia, taking into consideration that South America concentrates the Amazon jungle as the planet's main provider of oxygen that can lower the risk generated by the high production of carbon monoxide emanating from the chimneys of the big industry and has the main source of fresh water in the planet that in the future will be as or more important than petrol today.
The North American Free Trade Agreement, that the Government of Peru is trying to sign in an attempt to stabilise the advantages

English translation of the original document published by Carlos Paredes Gonzales, from the Institute for Agrarian Alternative (advisor of Departmental Federation of Cusco Peasants)
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of the entry of Peruvian products into the US market with tariff preferences that are listed in the ATPDEA has encouraged the growth of Peruvian exports. The biggest danger is that the largest economy in the world aims to expand market for its productive, commercial, service, and financial companies and whatever much business can be made through the NAFTA. Those who have signed it witness the disadvantages for their national production, in particular for the agricultural industries which suffer irreversible setbacks with the disappearance of some crops and promotes a denationalisation of economies as long as there is a change of hands in favour of American companies that produce for their market taking advantage of the low cost of labour in the affected country. This is happening in Mexico and Chile, which recently started and already with dangerous indicators.

The NAFTA and the FTAA will be harmful as long as the largest economy in the world and Europe continue to subsidise agricultural production with approximately $ 1,000 million a day throughout the year. But in addition, it will not be fair to have equal open market conditions when our economies have dramatic differences in volumes of production, quality and competitiveness.

Our country should go to these forums with the orientation to achieve integration, complementarity and pursuit of equity. For this reason, we should propose arrangements that enable us to improve our capabilities in order to achieve an economy that generates added value that is profitable and competitive. We should join forces with countries that have a similar problem and that was articulated in the Group of 21, to get an agreement that allows us tariff advantages to gain access to their markets, improving the situation caused by the ATPDEA and as a return a term of 10 years or more so that simultaneously, on the one hand, our economies have protectionist measures to secure improvements in capabilities that will enable them to generate added value, be profitable and competitive, for which cooperation programmes should be established, and on the other hand, the economies of the Group of the 9 most powerful countries to gradually decrease subsidies to its agricultural productions that cause an absolute distortion to the market to the detriment of the economies of poor countries.

To do this, it is essential that representatives of small farming productions, small urban production and the local and regional governments, whose economies are potentially the most affected by the NAFTA and the FTAA, should be present at the negotiating table to ensure a genuine defence of their interests and to ensure a future with food security, sovereignty, and generation of wealth that will ensure progress.

Better prices for field products.

Improve productivity based on agro-ecological management by reducing costs through the use of their own seeds and the use of organic fertilizers. If the production volumes are increased and this is accomplished by saving costs, the price will enable us higher margins in our favour.

Make sure not to sell raw materials, but products with some added value. Regardless of the value that we add to our products this will allow us to sell them on the market at a higher price. The greater the value we add through processing, the greater our gain.

Ensure sales in local markets, to save transportation costs.

Protect domestic production. Bring about changes in the national agricultural policy. Increase duties on products that come from abroad, notably wheat, and that result in unfair competition insofar as they receive subsidies in their countries of origin.

Promote policies that improve the purchasing power of the population through increased wages and salaries and job creation.

Set guaranteed prices and refuge prices to prevent imponderables of the market and natural phenomena from harming the producers and the processing production system.

Measures to duties

Raise duties to protect and encourage national production. Put emphasis on duties on wheat to the extent that directly affects the consumption, production, and prices of potato, quinoa, quiwicha, tarwi and vegetables. Promote alternatives that are being presented by the CUNGA and the unitary platform signed by 32 agricultural unions.

8. Promotion of non-agricultural activities.

Handicraft. Promote it in all its dimensions with textiles, natural

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dyes, gold and silversmithing, and improve it by developing models that are in good demand in the market.
Social, adventure and mystical tourism. To allow the presence of tourists in the rural communities and rural districts, which can leave income to their inhabitants.

9. REDIRECTING THE STATE'S INVESTMENT.

State investments are inefficient. In agriculture, the main investments have been focused on dams, altering the course of rivers, tunnel and large reservoirs for the storage of millions of cubic meters of water for very large irrigation projects in coastal agriculture. An important part of the external debt was compromised to perform this type of work.
Normally, the amounts budgeted for carrying out large irrigation projects have been exceeded in the practice, being astronomically multiplied. Land enabled by irrigation resulted expensive thus the limited profitability of the crops has not allowed paying the value of the lands.
Small-scale joint-ownership production does not require huge investments. In the ongoing experience, a comparison is being demonstrated which invites us to reflect on the how investments should be oriented. The re-focusing of social policies achieved with FONCODES (for its Spanish initials: Fondo de Cooperación para el Desarrollo Social – In English: Cooperation Fund for Social Development) and which led to the implementation of the PESP Pilot Program (for its Spanish initials: Proyecto de Emergencia Social Productiva Área Rural – In English: Emergency Social Productive Program) in 22 districts benefitting 500 families per district, and the comprehensive management of 12 micro-basins in Cusco (Peru) and 3 in Puno also for 500 families through micro-basins, implies 18,500 families benefitted. If each one irrigates 1 hectare with sprinkling irrigation 18,500 hectares are covered. All this was achieved with 5 million dollars of funding.
Arequipa has been demanding the construction of the Angostura dam in order to irrigate 15 thousand hectares. The value of this project amounts to 200 million dollars and if the costs of the channels and training for irrigation are added, this total is much greater. A hectare with irrigation shall cost in excess of 20 thousand dollars which would be impossible for farmers to have access to purchase it.
The alternative with which progress has been made in Cusco (Peru) manages to irrigate 3,500 hectares with one investment 40 times less than the cost required by the Angostura dam. Another important difference is in qualitative terms since the 15 thousand hectares at Angostura are mainly for monocultures of pastures for dairy cattle so that farmers may stock up on cheap feedstock so that a monopolistic industry performing the transformation ends up being the big winner. While the alternative experimented in Cusco (Peru) benefits 18,500 joint-owner families helping them make the jump to wealth generating economies combining biodiversity for food security with the transformation and expertise for monetary income and in turn encouraging their local markets. The number of irrigated hectares may, perfectly, duplicate due to the growth dynamic of the small productive units encouraged by an entrepreneurial and innovative conscience besides the fact that said joint-owner families shall capitalize themselves and invest in improving their production and transformation.
The country has scarce resources and that is an additional reason for the decisions regarding investment to be well thought out so as to define priorities that allow a productive and social development.

10. FUNDING DEVELOPMENT

The funding for the technological and basic productive leap referred to in the technological training and implementation of technology though farmer-to-farmer training, which will allow all or most of the joint-owner farming families to have rustic reservoirs, sprinkling irrigation, fixed familiar gardens and plots for associated cultivated pastures. And on the other hand, that all Farming Communities have a Community Centre for Food Security, is perfectly possible to finance with the reassigning of funds from State social policies (FONCODES PRONAMACHOS and others) that with the decentralization process shall pass to the district municipalities plus a percentage from FONCOMUN which intended to cover the whole cost.
The same source of funding should

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continue to contribute improving the implementation of technologies such as the installation of greenhouses for covered crops, improved stables, genetic of crops and cattle, transformation modules for traditional agriculture. All in benefit of joint-owner families. But as it is impossible to provide these technologies to all or most of them, methodologies must be implemented for a contest and emulation so that the provision of the aforementioned technologies is a prize to the enterprising effort of the small producers who earn it. The same for appropriate technologies based on renewable energies.

The same source of funding must be aimed to help provide milk-pasteurization traditional and semi-industrial plants, to small mills, dairy cultures and essential oils. Ideally, each district would have this transformation machinery and implements package which would be in the hands of those producers who become members.

The key, therefore, is the reassigning of the resources from social policies to a productive priority. The prospect would be for said funds to increasingly grow as a result of a greater demand for having access to this means in order to progress. Ideally, the increase in resources for social policy programs shall be based on funds from the swapping foreign debt for productive social investment of the foreign debt annual payment.

Another possibility is through financial mechanisms that allow leveraging the Regional Government resources which have revenue from transfers and those they shall soon have from gas and oil taxes as the member who should be repaid. The same for municipalities who have income from FONCOMUN which allows them to obtain soft loans at preferential or confessional rates for such purposes as buying machinery, equipment, vehicles and others, undertaking to pay instalments which commit a percentage of the FONCOMUN for periods which often oblige two municipal governments. The same figure can be used, but in order to leverage resources based on expanding replicas and then generalizing the productive alternatives.

Another source is the Access to loans for individual or associated farmer producers which need to boost their activities based on the markets they manage to connect with. The loans should be designed according to the conditions and potentialities of each district and its micro-basins. It should have a promotional interest, accessible to small famer producers. It should have capitalization purposes in productive assets which would imply loans to be paid between two and five years. Working capital loans which could be for shorter periods. Likewise, they should be accompanied by training that generated a credit culture that starts with the understanding that the loan must be paid with part of the profits obtained, so only those who have productive activities that are genuinely yielding profits. Payment of the loan must be done with part of the profits and only then is the loan useful. It is necessary to educate in the understanding that the loan cannot finance activities such as kids' education, healthcare, housing construction, purchase of artefacts which serve certain needs but produce no income, so the only way to pay is to decapitalize the borrower.

11. LAND, LEGAL SECURITY.

The Land Titles Act passed by Fujimori seeks to encourage individual titling to affect the validity of the Rural Communities. The main purpose is that poor producers who hold titles gradually end up selling land to facilitate land concentration in the hands of neolatifundistas (large land holders), who according to the neo-liberal model, would be the only ones able to inject capital and introduce technologies to make the field profitable.

The land in Peru is in mostly in the hands of small communal farmers/producers and secondarily small individual non-communal producers; the fate of the progress of Peruvian agriculture is closely linked to the fate of small farm production.

Therefore, a title is required from the Rural Communities and recognition of their Assembly agreements for the distribution of communal land in usufruct of registered farm households. To recognize that the Communities have an Andean land registry based on their culture and customs. To reassess the legal protection assigned to Rural Communities in the Constitution of 1979 considering communal lands as untouchable, indefeasible and inalienable.

To develop a new Title Law gran-

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ting legal certainty to Rural Communities, strengthening them as the most important institutional capital of rural society in our Andean regions, protecting and encouraging the community families that comprise them so they become the engine of change that leaves poverty behind. Thus they would generate wealth and progress and serve as the basis for the development of the domestic market, leaving behind the intentions of the privatization and neo-latifundista model of the savage neo-liberal policy of Fujimori.

Land conflicts within the communities, between neighbouring communities due to leadership problems and between communities and individual non-communal owners should be solved with methods of participatory democracy through collective, concerted and reconciled conflict resolution. Conciliation is a new legal option to exercise justice by seeking agreement between the parties; this path is an alternative to complaints and lawsuits in the judiciary which prove of little use in resolving conflicts. Such conflicts take many years and are a drain on the meagre economies of Communes and communities in favour of bad lawyers, bad bailiffs, bad prosecutors and bad judges.

12. COMPREHENSIVE RIGHTS.

Includes the exercise of economic, social and cultural rights. Economic rights would be the path to finding solutions with alternatives based on this proposal, ensuring food security for quality nutrition that meets international WHO standards, sustainable and increasing according to their growing needs and constantly increasing cash income to ensure a better quality of life.

Social rights refer to access to quality education to eradicate illiteracy and impart an education that contributes to improving knowledge and skills to become entrepreneurs in their activity as farmer and citizen in order to have a better quality of life, individually and socially. The right to health, such as preventive health based on full access to vaccines and immunization, a good diet and nutrition as a preventative health support and quality services when it comes to treating illnesses. The tight to good health with water, sewage and water treatment services to decontaminate streams and rivers. In communications with radio, TV, Internet, telephone, transportation, roads. The right to quality work, training for work and employment opportunities with decent merit-based wages and labour rights.

13. PARTICIPATORY DEMOCRACY.

Participatory democracy involves the combination of representative democracy exercised by those who are elected to public office and participatory democracy involving the active participation of members of society. Both should promote the rights to take decisions, participate in management to ensure the shared implementation of decisions taken and perform social monitoring of the use of the money and the behaviour of the authorities and civil society itself.

In the experience of Cusco (Peru), Communal and Neighbourhood Councils were installed that are an assembly of representatives of rural communities and all social organizations plus the authorities, which meets four times a year and has the rights to decide, manage and monitor. The idea is promoted that these three rights should be exercised in all matters of public life beyond the functioning of local government.

The Law on Decentralization and Regionalization and the new Organic Law of Municipalities protect and promote citizen participation and create vehicles for participation such as the Regional Coordinating Councils, Provincial Coordination Council and District Coordination Council. These legally constituted bodies develop in a participatory manner the annual budget, strategic development plan, the investment plan and other matters assigned to it by regional governments and municipal governments. In turn, they protect the full participation of civil society to be participants in the development of proposals to be considered on the Boards (Regional and local) and to exercise citizen oversight and control of governance and compliance with goals and agreements.

Peru has taken the lead as the first country in Latin America to mandate by Law participatory budget preparation.

The Municipalities Act produces an extremely important variable in

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terms of local government, assigning to municipalities the primary role in promoting productive development of their areas.

Citizen participation should allow an exercise of shared rights and obligations so that civil society organizations move toward the formulation of concrete, viable and practical alternatives based on available resources. Such alternative proposals should increase resources creatively, fairly and equitably, based on the development that will be achieved. The new democratic institutions will be supported in the generation of citizenship understood as shared participation, rights and obligations, to build a better future.

14. ROLE OF COOPERATIVE ENTITIES.

The participation of institutions that promote development is relevant in rural areas and often they have a more active presence than the State itself. Their contributions have called attention to development models designed in large development planning centres abroad that had regarded Andean rural areas as expendable. They need to re-evaluate and reconsider the need to give importance to these areas.

Their role is important and should be strengthened as facilitators promoting citizenship through full citizen participation, leading the way among social organizations, especially in rural areas and empowering through participatory democracy.

In addition, it should fulfil roles that contribute to developing pilot experiences, validation of technological, productive and social alternatives and accompanying its expansion across replicas. This will help social organizations be positive carriers of alternatives grounded in life experiences that show tangible results, which in turn foster policy changes in local, regional and national government that are essential to make the leap to the generalization.

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