Administrative Decentralization in Peru
Study Questions

• Can decentralization work to stimulate sub-state economic growth? Are there other actors that local officials should involve in the process?

• Are there ways to streamline the MEF’s methodology application and selection process for investment projects? If yes, how?

• What should the consequences be if a region or leader misappropriates the funds devolved to that region?

• How can Shack find the optimal trade-off between writing regions a “blank check” and not giving them enough autonomy?

• What political consequences do you foresee from the proposed redistribution transfers, according to the ENAHO poverty index? Which regions might be more in favor of this redistribution scheme than others?

• Is Peru approaching this process the wrong way; should administrative decentralization accompany political decentralization, or come at a later date?